



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

INTRODUCED _____, BY

SYNOPSIS AS INTRODUCED:

See Index

Creates the Cannabis Regulation and Tax Act. Provides that it is lawful for persons 21 years of age or older to: (1) possess, consume, use, purchase, obtain, or transport an amount of cannabis for personal use that does not exceed the possession limit in accordance with the requirements of the Act; (2) cultivate cannabis for personal use in accordance with the requirements of the Act; and (3) control property if actions that are authorized by this provision occur on the property. Provides that an Illinois resident age 21 or older may cultivate up to 5 cannabis plants per household without a cultivation center or craft grower license. Provides penalties for violations of the Act. Provides for expungement of minor cannabis violations. Provides preference in the issuance of licenses to: (1) individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area; (2) individuals who have been arrested for, convicted of, or adjudged to be a ward of the juvenile court for any offense that is eligible for expungement under the Act or member of an impacted family; (3) individuals who are Black or Hispanic; or (4) for employers with a minimum of 10 full-time employees who meet any of these criteria. Provides that a tax is imposed upon the privilege of cultivating cannabis at the rate of 7% of the gross receipts from the sale of cannabis by a cultivator. Provides that a tax is imposed upon purchases for the privilege of using cannabis. Prescribes the rates. Repeals the Cannabis and Controlled Substances Tax Act. Amends various Acts to make conforming changes. Effective immediately.

LRB101 12329 RLC 60273 b

A BILL FOR

1 AN ACT concerning cannabis.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 ARTICLE 1.

5 SHORT TITLE; FINDINGS; DEFINITIONS

6 Section 1-1. Short title. This Act may be cited as the
7 Cannabis Regulation and Tax Act.

8 Section 1-5. Findings.

9 (a) In the interest of allowing law enforcement to focus on
10 violent and property crimes, generating revenue for education,
11 substance abuse prevention and treatment, freeing public
12 resources to invest in communities and other public purposes,
13 and individual freedom, the General Assembly finds and declares
14 that the use of cannabis should be legal for persons 21 years
15 of age or older and should be taxed in a manner similar to
16 alcohol.

17 (b) In the interest of the health and public safety of the
18 residents of Illinois, the General Assembly further finds and
19 declares that cannabis should be regulated in a manner similar
20 to alcohol so that:

(1) persons will have to show proof of age before purchasing cannabis:

(2) selling, distributing, or transferring cannabis to minors and other persons under 21 years of age shall remain illegal;

(3) driving under the influence of cannabis shall remain illegal;

(4) legitimate, taxpaying business people, and not criminal actors, will conduct sales of cannabis;

(5) cannabis sold in this State will be tested, labeled, and subject to additional regulation to ensure that purchasers are informed and protected; and

(6) purchasers will be informed of any known health risks associated with the use of cannabis, as concluded by evidence-based, peer reviewed research.

(c) The General Assembly further finds and declares that it is necessary to ensure consistency and fairness in the application of this Act throughout the State and that, therefore, the matters addressed by this Act are, except as specified in this Act, matters of statewide concern.

(d) The General Assembly further finds and declares that this Act shall not diminish the State's duties and commitment to seriously ill patients registered under the Compassionate Use of Medical Cannabis Pilot Program Act, nor alter the protections granted to them.

(e) The General Assembly further finds and declares that employee workplace safety shall not be diminished and employer workplace policies shall be interpreted broadly to protect

1 employee safety.

2 Section 1-10. Definitions. In this Act:

3 "Adult Use Cultivation Center License" means a license
4 issued by the Department of Agriculture that permits a person
5 to act as a cultivation center under this Act and any
6 administrative rule made in furtherance of this Act.

7 "Adult Use Dispensing Organization License" means a
8 license issued by the Department of Financial and Professional
9 Regulation that permits a person to act as a dispensing
10 organization under this Act and any administrative rule made in
11 furtherance of this Act.

12 "Advertise" means to engage in promotional activities
13 including, but not limited to: newspaper, radio, Internet and
14 electronic media, and television advertising; the distribution
15 of fliers and circulars; and the display of window and interior
16 signs.

17 "BLS Region" means a region in Illinois used by the United
18 States Bureau of Labor Statistics to gather and categorize
19 certain employment and wage data. The 12 such regions in
20 Illinois are: Bloomington, Cape Girardeau, Carbondale-Marion,
21 Champaign-Urbana, Chicago-Naperville-Elgin, Danville,
22 Davenport-Moline-Rock Island, Decatur, Kankakee, Peoria,
23 Rockford, St. Louis, Springfield, Northwest Illinois
24 nonmetropolitan area, West Central Illinois nonmetropolitan
25 area, East Central Illinois nonmetropolitan area, and South

1 Illinois nonmetropolitan area.

2 "Cannabis" means marijuana, hashish, and other substances
3 that are identified as including any parts of the plant
4 Cannabis sativa or Cannabis indica, whether growing or not; the
5 seeds thereof, the resin extracted from any part of the plant;
6 and any compound, manufacture, salt, derivative, mixture, or
7 preparation of the plant, its seeds, or resin, including
8 tetrahydrocannabinol (THC) and all other naturally produced
9 cannabinol derivatives, whether produced directly or
10 indirectly by extraction or independently by chemical
11 synthesis or by a combination of extraction and chemical
12 synthesis; however, "cannabis" does not include the mature
13 stalks of the plant, fiber produced from the stalks, oil or
14 cake made from the seeds of the plant, any other compound,
15 manufacture, salt, derivative, mixture, or preparation of the
16 mature stalks (except the resin extracted from it), fiber, oil
17 or cake, or the sterilized seed of the plant that is incapable
18 of germination. "Cannabis" does not include industrial hemp as
19 defined and authorized under the Industrial Hemp Act.
20 "Cannabis" also means concentrate and cannabis-infused
21 products.

22 "Cannabis business establishment" means a cultivation
23 center, craft grower, processing organization, dispensing
24 organization, or transporting organization.

25 "Cannabis concentrate" means a product derived from
26 medical cannabis that is produced by extracting cannabinoids

1 from the plant through the use of propylene glycol, glycerin,
2 butter, olive oil or other typical cooking fats; water, ice, or
3 dry ice; or butane, propane, CO₂, ethanol, or isopropanol. The
4 use of any other solvent is expressly prohibited unless and
5 until it is approved by the Department of Agriculture.

6 "Cannabis container" means a sealed, traceable, food
7 compliant container, or package used for the purpose of
8 containment of cannabis or cannabis-infused product during
9 transportation.

10 "Cannabis flower" means marijuana, hashish, and other
11 substances that are identified as including any parts of the
12 plant Cannabis sativa and including derivatives or subspecies,
13 such as indica, of all strains of cannabis; including raw kief,
14 leaves, and buds, but not resin that has been extracted from
15 any part of such plant; nor any compound, manufacture, salt,
16 derivative, mixture, or preparation of such plant, its seeds,
17 or resin.

18 "Cannabis-infused product" means a beverage, food, oil,
19 ointment, tincture, topical formulation, or another product
20 containing cannabis that is not intended to be smoked.

21 "Cannabis plant monitoring system" or "plant monitoring
22 system" means a system that includes, but is not limited to,
23 testing and data collection established and maintained by the
24 cultivation center, craft grower, or processing organization
25 and that is available to the Department of Revenue, the
26 Department of Agriculture, the Department of Financial and

1 Professional Regulation, and the Department of State Police for
2 the purposes of documenting each cannabis plant and monitoring
3 plant development throughout the life cycle of a cannabis plant
4 cultivated for the intended use by a customer from seed
5 planting to final packaging.

6 "Cannabis testing facility" means an entity registered by
7 the Department of Agriculture to test cannabis for potency and
8 contaminants.

9 "Clone" means a plant section from a female cannabis plant
10 not yet rootbound, growing in a water solution or other
11 propagation matrix, that is capable of developing into a new
12 plant.

13 "Conditional Adult Use Dispensing Organization License"
14 means a license awarded to top-scoring applicants for an Adult
15 Use Dispensing Organization License that reserves the right to
16 a dispensing organization license if the applicant meets
17 certain conditions described in this Article, but does not
18 entitle the recipient to begin purchasing or selling cannabis
19 or cannabis-infused products.

20 "Craft grower" means a facility operated by an organization
21 or business that is licensed by the Department of Agriculture
22 to cultivate, dry, cure, and package cannabis and perform other
23 necessary activities to make cannabis available for sale at a
24 dispensing organization or use at a processing organization. A
25 craft grower may contain up to 5,000 square feet of canopy
26 space on its premises for cultivating plants in the flowering

1 stage. The Department of Agriculture may authorize an increase
2 or decrease of flowering stage cultivation space in increments
3 of 3,000 square feet by rule based on market need, craft grower
4 capacity, and the licensee's history of compliance or
5 noncompliance, with a maximum space of 14,000 square feet for
6 cultivating plants in the flowering stage, which must be
7 cultivated in all stages of growth in an enclosed and secure
8 area. A craft grower may share premises with a processing
9 organization or a dispensing organization, or both, provided
10 each licensee stores currency and cannabis or cannabis-infused
11 products in a separate secured vault to which the other
12 licensee does not have access or all licensees sharing a vault
13 share more than 50% of the same ownership.

14 "Craft grower agent" means a principal officer, board
15 member, employee, or other agent of a craft grower who is 21
16 years of age or older and has not been convicted of an excluded
17 offense.

18 "Craft Grower Agent Identification Card" means a document
19 issued by the Department of Agriculture that identifies a
20 person as a craft grower agent.

21 "Cultivation center" means a facility operated by an
22 organization or business that is licensed by the Department of
23 Agriculture to cultivate, process, transport (unless otherwise
24 limited by this Act), and perform other necessary activities to
25 provide cannabis and cannabis-infused products to cannabis
26 business establishments.

1 "Cultivation center agent" means a principal officer,
2 board member, employee, or other agent of a cultivation center
3 who is 21 years of age or older and has not been convicted of an
4 excluded offense.

5 "Cultivation Center Agent Identification Card" means a
6 document issued by the Department of Agriculture that
7 identifies a person as a cultivation center agent.

8 "Currency" means currency and coin of the United States.

9 "Dispensing organization" or "dispensary" means a facility
10 operated by an organization or business that is licensed by the
11 Department of Financial and Professional Regulation to acquire
12 cannabis from a cultivation center, craft grower, processing
13 organization, or another dispensary for the purpose of selling
14 or dispensing cannabis, cannabis-infused products, cannabis
15 seeds, paraphernalia, or related supplies under this Act to
16 purchasers or to qualified registered medical cannabis
17 patients and caregivers. As used in this Act, dispensary
18 organization shall include a registered medical cannabis
19 organization as defined in the Compassionate Use of Medical
20 Cannabis Pilot Program Act or its successor Act that has
21 obtained an Early Approval Adult Use Dispensing Organization
22 License.

23 "Dispensing organization agent" means a principal officer,
24 board member, employee, or agent of a dispensing organization
25 who is 21 years of age or older and has not been convicted of an
26 excluded offense.

1 "Dispensing organization agent identification card" means
2 a document issued by the Department of Financial and
3 Professional Regulation that identifies a person as a
4 dispensing organization agent.

5 "Disproportionately Impacted Area" means a census tract or
6 comparable geographic area that satisfies the following
7 criteria as determined by the Department of Commerce and
8 Economic Opportunity, that:

(1) meets at least one of the following criteria:

(A) the area has a poverty rate of at least 20% according to the latest federal decennial census; or

(B) 75% or more of the children in the area
participate in the federal free lunch program
according to reported statistics from the State Board
of Education; or

(C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or

(2) has high rates of arrest, conviction, and

incarceration related to sale, possession, use, cultivation, manufacture, or transport of cannabis.

"Early Approval Adult Use Cultivation Center License" means a license that permits a medical cannabis cultivation center licensed under the Compassionate Use of Medical Cannabis Pilot Program Act on the effective date of this Act to begin cultivating, packaging, transporting (unless otherwise provided in this Act), and selling cannabis to cannabis business establishments for resale to purchasers as permitted by this Act as of January 1, 2020.

"Early Approval Adult Use Dispensing Organization License" means a license that permits a medical cannabis dispensing organization licensed under the Compassionate Use of Medical Cannabis Pilot Program Act on the effective date of this Act to begin selling cannabis to purchasers as permitted by this Act as of January 1, 2020.

"Enclosed, locked facility" means a room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access only by cannabis business establishment agents working for the registered cannabis business establishment or acting pursuant to this Act to cultivate, process, store, or distribute cannabis.

"Enclosed, locked space" means a room, greenhouse, building or other enclosed area equipped with locks or other security devices that permit access only by authorized individuals under this Act. "Enclosed, locked facility" may

1 include:

2 (1) a room within a residential building that (i) is
3 the primary residence of the individual registered to home
4 grow 5 or fewer cannabis plants in the flowering stage, and
5 (ii) includes sleeping quarters and indoor plumbing. The
6 room must only be accessible by a key or code that is
7 different from any key or code that can be used to access
8 the residential building from the exterior; or

9 (2) a structure, such as a shed or greenhouse, that
10 lies on the same plot of land as a residential building
11 that (i) includes sleeping quarters and indoor plumbing,
12 and (ii) is used as a primary residence by the person
13 registered to home grow 5 or fewer cannabis plants in the
14 flowering stage, such as, but limited to, a shed or
15 greenhouse. The structure must remain locked when it is
16 unoccupied by people.

17 "Excluded offense" means a conviction or admission of guilt
18 for:

19 (1) a violent crime as defined in Section 3 of the
20 Rights of Crime Victims and Witnesses Act; or

21 (2) a felony violation of State or federal controlled
22 substance law, the Cannabis Control Act, or the
23 Methamphetamine Control and Community Protection Act, if
24 the conviction either occurred less than 10 years before
25 the person applied for a license or the sentence has not
26 yet been discharged.

1 "Excluded offense" does not include minor violations
2 eligible for expungement under this Act.

3 "Financial institution" has the same meaning as "financial
4 organization" as defined in Section 1501 of the Illinois Income
5 Tax Act, and also includes the holding companies, subsidiaries,
6 and affiliates of such financial organizations.

7 "Flowering stage" means the stage of cultivation where and
8 when a cannabis plant is cultivated to produce plant material
9 for cannabis products. This includes mature plants as follows:

10 (1) if greater than 2 stigmas are visible at each
11 internode of the plant; or

12 (2) if the cannabis plant is in an area that has been
13 intentionally deprived of light for a period of time
14 intended to produce flower buds and induce maturation, from
15 the moment the light deprivation began through the
16 remainder of the marijuana plant growth cycle.

17 "Individual" means a natural person.

18 "Kief" means the resinous crystal-like trichomes that are
19 found on cannabis and that are accumulated, resulting in a
20 higher concentration of cannabinoids, untreated by heat or
21 pressure, or extracted using a solvent.

22 "Labor peace agreement" means an agreement between a
23 licensee and any labor organization recognized under the
24 National Labor Relations Act, referred to in this Act as a bona
25 fide labor organization, that prohibits labor organizations
26 and members from engaging in picketing, work stoppages,

1 boycotts, and any other economic interference with the
2 applicant's business. This agreement means that the licensee or
3 applicant has agreed not to disrupt efforts by the bona fide
4 labor organization to communicate with, and attempt to organize
5 and represent, the licensee or applicant's employees. The
6 agreement shall provide a bona fide labor organization access
7 at reasonable times to areas in which the licensee or
8 applicant's employees work, for the purpose of meeting with
9 employees to discuss their right to representation, employment
10 rights under State law, and terms and conditions of employment.
11 This type of agreement shall not mandate a particular method of
12 election or certification of the bona fide labor organization.

13 "Limited access area" means a building, room, or other area
14 under the control of a medical cannabis dispensing organization
15 licensed under the Compassionate Use of Medical Cannabis Pilot
16 Program Act and upon the registered premises with access
17 limited to qualifying patients, designated caregivers,
18 dispensary owners and other dispensary agents or service
19 professionals conducting business with the dispensing
20 organization.

21 "Member of an impacted family" means an individual who has
22 a parent, legal guardian, child, spouse, or dependent, or was a
23 dependent of an individual who, prior to the effective date of
24 this Act, was arrested for, convicted of, or adjudged to be a
25 ward of the juvenile court for any offense that is eligible for
26 expungement under this Act.

1 "Mother plant" means a cannabis plant that is cultivated or
2 maintained for the purpose of generating clones, and that will
3 not be used to produce plant material for sale to a processor
4 or dispensary.

5 "Ordinary public view" means within the sight line with
6 normal visual range of a person, unassisted by visual aids,
7 from a public street or sidewalk adjacent to real property, or
8 from within an adjacent property.

9 "Ownership and control" means ownership of at least 51% of
10 the business, including corporate stock if a corporation, and
11 control over the management and day-to-day operations of the
12 business and an interest in the capital, assets, and profits
13 and losses of the business proportionate to percentage of
14 ownership.

15 "Person" means a natural individual, firm, partnership,
16 association, joint stock company, joint venture, public or
17 private corporation, limited liability company, or a receiver,
18 executor, trustee, guardian, or other representative appointed
19 by order of any court.

20 "Possession limit" means the amount of cannabis under
21 Section 10-10 that may be possessed at any one time by a person
22 21 years of age or older or who is a registered qualifying
23 medical cannabis patient or caregiver under the Compassionate
24 Use of Medical Cannabis Pilot Program Act.

25 "Principal officer" includes a cannabis business
26 establishment applicant or registered cannabis business

1 establishment's board member, owner with more than one percent
2 interest of the total cannabis business establishment or more
3 than 5% interest of the total cannabis business establishment
4 of a publicly traded company, president, vice president,
5 secretary, treasurer, partner, officer, member, manager
6 member, or person with a profit sharing, financial interest, or
7 revenue sharing arrangement. The definition includes a person
8 with authority to control the cannabis business establishment,
9 a person who assumes responsibility for the debts of the
10 cannabis business establishment and who is further defined in
11 this Article.

12 "Primary residence" means a dwelling where a person usually
13 stays or stays more often than other locations. It may be
14 determined by, without limitation, presence, tax filings,
15 address on driver's license or State ID, or voter registration.
16 No person may have more than one primary residence.

17 "Process" or "processing" means the act of converting
18 harvested cannabis plant material into a cannabis concentrate
19 by physical or chemical means for use as a cannabis concentrate
20 or as an ingredient in a cannabis-infused product. Processing
21 also includes the act of infusing cannabis oil or concentrate
22 into food, oils, ointments, tinctures, or other products
23 approved for sale under this Act.

24 "Processing organization" or "processor" means a facility
25 operated by an organization or business that is licensed by the
26 Department of Agriculture to process cannabis and perform other

1 necessary activities to make cannabis available for sale at a
2 dispensing organization or use at another processing
3 organization.

4 "Processing organization agent" means a principal officer,
5 board member, employee, or agent of a processing organization.

6 "Processing organization agent identification card" means
7 a document issued by the Department of Agriculture that
8 identifies a person as a processing organization agent.

9 "Purchaser" means a person 21 years of age or older who
10 acquires cannabis for a valuable consideration. "Purchaser"
11 does not include a cardholder under the Compassionate Use of
12 Medical Cannabis Pilot Program Act.

13 "Qualified Social Equity Applicant" means a Social Equity
14 Applicant who has been awarded a conditional license under this
15 Act to operate a cannabis business establishment.

16 "Resided" means an individual's primary residence was
17 located within the relevant geographic area as established by 2
18 of the following:

19 (1) a signed lease agreement that includes the
20 applicant's name;

21 (2) a property deed that includes the applicant's name;

22 (3) school records;

23 (4) a voter registration card;

24 (5) an Illinois driver's license, an Illinois
25 Identification Card, or an Illinois Person with a
26 Disability Identification Card;

1 (6) a paycheck stub; or

2 (7) a utility bill.

3 "Smoking" means the inhalation of smoke caused by the
4 combustion of cannabis.

5 "Social Equity Applicant" means an applicant that is an
6 Illinois resident that meets one of the following criteria:

7 (1) an applicant with at least 51% ownership and
8 control by one or more individuals who have resided for at
9 least 5 of the preceding 10 years in a Disproportionately
10 Impacted Area;

11 (2) an applicant with at least 51% of ownership and
12 control by one or more individuals who have been arrested
13 for, convicted of, or adjudged to be a ward of the juvenile
14 court for any offense that is eligible for expungement
15 under this Act or member of an impacted family;

16 (3) for applicants with a minimum of 10 full-time
17 employees, an applicant with at least 51% of current
18 employees who:

19 (i) currently reside in a Disproportionately
20 Impacted Area; or

21 (ii) have been arrested for, convicted of, or
22 adjudged to be a ward of the juvenile court for any
23 offense that is eligible for expungement under this Act
24 or member of an impacted family.

25 "Tincture" means a solution made by dissolving
26 cannabis in alcohol.

1 "Transporting organization" or "transporter" means an
2 organization or business that is licensed by the Department of
3 Agriculture to transport cannabis on behalf of a cannabis
4 business establishment.

5 "Transporting organization agent" means a principal
6 officer, board member, employee, or agent of a transporting
7 organization.

8 "Transporting organization agent identification card"
9 means a document issued by the Department of Agriculture that
10 identifies a person as a transporting organization agent.

11 "Unit of local government" means any county, township,
12 city, village, or incorporated town.

13 "Vegetative stage" means the stage of cultivation in which
14 a cannabis plant is propagated to produce additional cannabis
15 plants or reach a sufficient size for production. This includes
16 seedlings, clones, mothers, and other immature cannabis plants
17 as follows:

18 (1) if the cannabis plant is in an area that has not
19 been intentionally deprived of light for a period of time
20 intended to produce flower buds and induce maturation, it
21 has no more than 2 stigmas visible at each internode of the
22 cannabis plant; or

23 (2) any cannabis plant that is cultivated solely for
24 the purpose of propagating clones and is never used to
25 produce cannabis.

1 ARTICLE 5.

2 AUTHORITY

3 Section 5-5. Sharing of authority. Notwithstanding any
4 provision or law to the contrary, any authority granted to any
5 State agency or State employees or appointees under the
6 Compassionate Use of Medical Cannabis Pilot Program Act shall
7 be shared by any State agency or State employees or appointees
8 given authority to license, discipline, revoke, regulate, or
9 make rules under this Act.

10 Section 5-10. Department of Agriculture. The Department of
11 Agriculture shall administer and enforce provisions of this Act
12 relating to the oversight and registration of cultivation
13 centers, craft growers, processing organizations, and
14 transporting organizations and agents, including the issuance
15 of identification cards and establishing limits on potency or
16 serving size for cannabis or cannabis products. The Department
17 of Agriculture may suspend or revoke the license of, or impose
18 other penalties upon cultivation centers, craft growers,
19 processing organizations, and transporting organizations for
20 violations of this Act and any rules adopted under this Act.

21 Section 5-15. Department of Financial and Professional
22 Regulation. The Department of Financial and Professional
23 Regulation shall enforce the provisions of this Act relating to

1 the oversight and registration of dispensing organizations and
2 agents, including the issuance of identification cards for
3 dispensing organization agents. The Department of Financial
4 and Professional Regulation may suspend or revoke the license
5 of, or impose other penalties upon dispensing organizations for
6 violations of this Act and any rules adopted under this Act.

7 Section 5-20. Background checks.

8 (a) Through the Department of State Police, the licensing
9 or issuing Department shall conduct a criminal history record
10 check of the prospective principal officers, board members, and
11 agents of a cannabis establishment applying for a license or
12 identification card under this Act.

13 Each cannabis establishment prospective principal officer,
14 board member, or agent shall submit his or her fingerprints to
15 the Department of State Police in the form and manner
16 prescribed by the Department of State Police.

17 Such fingerprints shall be transmitted through a live scan
18 fingerprint vendor licensed by the Department of Financial and
19 Professional Regulation. These fingerprints shall be checked
20 against the fingerprint records now and hereafter filed in the
21 Department of State Police and Federal Bureau of Investigation
22 criminal history records databases. The Department of State
23 Police shall charge a fee for conducting the criminal history
24 record check, which shall be deposited into the State Police
25 Services Fund and shall not exceed the actual cost of the State

1 and national criminal history record check. The Department of
2 State Police shall furnish, pursuant to positive
3 identification, all Illinois conviction information and shall
4 forward the national criminal history record information to:

5 (i) the Department of Agriculture, with respect to a
6 cultivation center, craft grower, processing organization,
7 or transporting organization; or

8 (ii) the Department of Financial and Professional
9 Regulation, with respect to a dispensing organization.

10 (b) When applying for the initial license or identification
11 card, the background checks for all prospective principal
12 officers, board members, and agents shall be completed before
13 submitting the application to the licensing or issuing agency.

14 Section 5-25. Department of Public Health to make health
15 warning recommendations.

16 (a) The Department of Public Health shall make
17 recommendations to the Department of Agriculture and the
18 Department of Financial and Professional Regulation on
19 appropriate health warnings for dispensaries and advertising,
20 which may apply to all cannabis products, including item-type
21 specific labeling or warning requirements, regulate the
22 facility where cannabis-infused products are made, regulate
23 cannabis-infused products as provided in subsection (h) of
24 Section 55-5, and facilitate the Adult Use Cannabis Health
25 Advisory Committee.

1 (b) An Adult Use Cannabis Health Advisory Committee is
2 hereby created and shall meet at least twice annually. The
3 Chairperson may schedule meetings more frequently upon his or
4 her initiative or upon the request of a Committee member.
5 Meetings may be held in person or by teleconference. The
6 Committee shall discuss and monitor changes in drug use data in
7 Illinois and the emerging science and medical information
8 relevant to the health effects associated with cannabis use and
9 may provide recommendations to the Department of Human Services
10 about public health awareness campaigns and messages. The
11 Committee shall include the following members appointed by the
12 Governor and shall represent the geographic, ethnic and racial
13 diversity of the State:

14 (1) The Director of Public Health, or his or her
15 designee, who shall serve as the Chairperson.

16 (2) The Secretary of Human Services, or his or her
17 designee, who shall serve as the Co-Chairperson.

18 (3) A representative of the poison control center.

19 (4) A pharmacologist.

20 (5) A pulmonologist.

21 (6) An emergency room physician.

22 (7) An Emergency medical technician, paramedic, or
23 other first responder.

24 (8) A nurse practicing in a school-based setting.

25 (9) A psychologist.

26 (10) A neonatologist.

- (11) An obstetrician-gynecologist.
- (12) A drug epidemiologist.
- (13) A medical toxicologist.
- (14) An addiction psychiatrist.
- (15) A pediatrician.
- (16) A representative of a statewide professional health organization.
- (17) A representative of a statewide hospital/health system association.
- (18) An individual registered as a patient in the passionate Use of Medical Cannabis Pilot Program.
- (19) An individual registered as a caregiver in the passionate Use of Medical Cannabis Pilot Program.
- (20) A representative of an organization focusing on cannabis-related policy.
- (21) A representative of an organization focusing on civil liberties of individuals who reside in Illinois.
- (22) A representative of the criminal defense or civil community of attorneys serving Disproportionately impacted Areas.
- (23) A representative of licensed cannabis business establishments.
- (24) A Social Equity Applicant.
- (25) A naturopath.

1 Department of Public Health shall make the report available on
2 its website.

3 Section 5-30. Department of Human Services. The Department
4 of Human Services shall identify evidence-based programs for
5 the prevention or treatment of alcohol abuse, tobacco use,
6 illegal drug use (including prescription drugs), and cannabis
7 use by pregnant women, and make policy recommendations, as
8 appropriate, to the Adult Use Cannabis Health Advisory
9 Committee. The Department of Human Services shall develop and
10 disseminate educational materials for consumers based on
11 recommendations received from the Department of Public Health
12 and the Adult Use Cannabis Health Advisory Committee.

13 Section 5-45. Illinois Cannabis Regulation Oversight
14 Officer.

15 (a) The position of Illinois Cannabis Regulation Oversight
16 Officer is created within the Department of Financial and
17 Professional Regulation under the Director of the Division of
18 Professional Regulation. The position of Illinois Cannabis
19 Regulation Oversight Officer shall be appointed by the
20 Governor.

21 (b) The Illinois Cannabis Regulation Oversight Officer
22 may:

23 (1) maintain a staff of up to 5 persons;
24 (2) make recommendations for policy, statute, and rule

1 changes;

2 (3) collect data both in Illinois and outside Illinois
3 regarding the regulation of cannabis;

4 (4) compile or assist in the compilation of any reports
5 required by this Act;

6 (5) ensure the coordination of efforts between various
7 State agencies involved in regulating and taxing the sale
8 of cannabis in Illinois; and

9 (6) encourage, promote, suggest, and report best
10 practices for ensuring diversity in the cannabis industry
11 in Illinois.

12 (c) The Illinois Cannabis Regulation Oversight Officer
13 shall not:

14 (1) participate in the issuance of any business
15 licensing or the making of awards; or

16 (2) participate in any adjudicative decision-making
17 process involving licensing or licensee discipline.

18 (d) Any funding required for the Illinois Cannabis
19 Regulation Oversight Officer, its staff, or its activities
20 shall be drawn from the Cannabis Regulation Fund.

21 (e) The Illinois Cannabis Regulation Oversight Officer
22 shall commission and publish a disparity and availability study
23 by March 1, 2021 that: (1) evaluates whether there exists
24 discrimination in the State's cannabis industry; and (2) if so,
25 evaluates the impact of such discrimination on the State and
26 includes recommendations to the Department of Financial and

1 Professional Regulation for reducing or eliminating any
2 identified barriers to entry in the cannabis market. The
3 Illinois Cannabis Regulation Oversight Officer shall forward a
4 copy of its findings and recommendations to the Department of
5 Financial and Professional Regulation, the Department of
6 Agriculture, the Department of Commerce and Economic
7 Opportunity, and the Governor.

ARTICLE 7.

SOCIAL EQUITY IN THE CANNABIS INDUSTRY

10 Section 7-1. Findings.

11 (a) In the interest of establishing a legal cannabis
12 industry that is equitable and accessible to those most
13 adversely impacted by the enforcement of drug-related laws in
14 this State, including cannabis-related laws, the General
15 Assembly finds and declares that a social equity program should
16 be established.

17 (b) The General Assembly also finds and declares that
18 individuals who have been arrested or incarcerated due to drug
19 laws suffer long-lasting negative consequences, including
20 impacts to employment, business ownership, housing, health,
21 and long-term financial well-being.

22 (c) The General Assembly also finds and declares that
23 family members, especially children, and communities of those
24 who have been arrested or incarcerated due to drug laws, suffer

1 from emotional, psychological, and financial harms as a result
2 of such arrests or incarcerations.

3 (d) Furthermore, the General Assembly finds and declares
4 that certain communities have disproportionately suffered the
5 harms of enforcement of cannabis-related laws. Those
6 communities face greater difficulties accessing traditional
7 banking systems and capital for establishing businesses.

8 (e) The General Assembly also finds that individuals who
9 have resided in areas of high poverty suffer negative
10 consequences, including barriers to entry in employment,
11 business ownership, housing, health, and long-term financial
12 well-being.

13 (f) The General Assembly also finds and declares that
14 promotion of business ownership by individuals who have resided
15 in areas of high poverty and high enforcement of
16 cannabis-related laws furthers an equitable cannabis industry.

17 (g) Therefore, in the interest of remedying the harms
18 resulting from the disproportionate enforcement of
19 cannabis-related laws, the General Assembly finds and declares
20 that a social equity program should offer, among other things,
21 financial assistance and license application benefits to
22 individuals most directly and adversely impacted by the
23 enforcement of cannabis-related laws who are interested in
24 starting cannabis business establishments.

25 Section 7-10. Cannabis Business Development Fund.

1 (a) There is created in the State treasury a special fund,
2 which shall be held separate and apart from all other State
3 moneys, to be known as the Cannabis Business Development Fund.
4 The Cannabis Business Development Fund shall be exclusively
5 used for the following purposes:

6 (1) to provide low-interest rate loans to Social Equity
7 Applicants to pay for ordinary and necessary expenses to
8 start and operate a cannabis business establishment
9 permitted by this Act;

10 (2) to provide grants to Qualified Social Equity
11 Applicants to pay for ordinary and necessary expenses to
12 start and operate a cannabis business establishment
13 permitted by this Act;

14 (3) to compensate the Department of Commerce and
15 Economic Opportunity for any staff costs related to the
16 provision of low-interest loans and grants to Qualified
17 Social Equity Applicants;

18 (4) to pay for outreach that may be provided or
19 targeted to attract and support Social Equity Applicants;

20 (5) to compensate the Department of Financial and
21 Professional Regulation and the Department of Agriculture
22 for any licensing fees waived for Social Equity Applicants
23 under this Act;

24 (6) to conduct any study or research concerning the
25 participation of minorities, women, veterans, or people
26 with disabilities in the cannabis industry, including,

1 without limitation, barriers to such individuals entering
2 the industry as equity owners of cannabis business
3 establishments;

4 (7) to assist individuals with past cannabis
5 convictions that are eligible for expungement under this
6 Act seek expungement; and

7 (8) to assist with job training and technical
8 assistance for residents in Disproportionately Impacted
9 Areas.

10 (b) All moneys collected under Sections 15-15 and 15-20 for
11 Early Approval Adult Use Dispensing Organization Licenses
12 issued before January 1, 2021, and remunerations made as a
13 result of transfers of permits awarded to Qualified Social
14 Equity Applicants shall be deposited into the Cannabis Business
15 Development Fund.

16 (c) As soon as practical after July 1, 2019, the
17 Comptroller shall order and the Treasurer shall transfer
18 \$12,000,000 from the Compassionate Use of Medical Cannabis Fund
19 to the Cannabis Business Development Fund.

20 (d) Notwithstanding any other law to the contrary, the
21 Cannabis Business Development Fund is not subject to sweeps,
22 administrative charge-backs, or any other fiscal or budgetary
23 maneuver that would in any way transfer any amounts from the
24 Cannabis Business Development Fund into any other fund of the
25 State.

1 Section 7-15. Loans and grants to Social Equity Applicants.

2 (a) The Department of Commerce and Economic Opportunity may
3 establish grant and loan programs, subject to appropriations
4 from the Cannabis Business Development Fund, for the purposes
5 of providing financial assistance, loans, grants, and
6 technical assistance to Social Equity Applicants.

7 (b) The Department of Commerce and Economic Opportunity has
8 the power to:

9 (1) provide Cannabis Social Equity loans and grants
10 from appropriations from the Cannabis Business Development
11 Fund to assist Social Equity Applicants in gaining entry
12 to, and successfully operating in, the State's regulated
13 cannabis marketplace;

14 (2) enter into agreements that set forth terms and
15 conditions of the financial assistance, accept funds, or
16 grants, and engage in cooperation with private entities and
17 agencies of State or local government to carry out the
18 purposes of this Section;

19 (3) fix, determine, charge, and collect any premiums,
20 fees, charges, costs and expenses, including application
21 fees, commitment fees, program fees, financing charges, or
22 publication fees in connection with its activities under
23 this Section;

24 (4) coordinate assistance under this program with
25 activities of the Illinois Department of Financial and
26 Professional Regulation, the Illinois Department of

1 Agriculture, and other agencies as needed to maximize the
2 effectiveness and efficiency of this Act;

3 (5) provide staff, administration, and related support
4 required to administer this Section;

5 (6) take whatever actions are necessary or appropriate
6 to protect the State's interest if bankruptcy, default,
7 foreclosure, or noncompliance with the terms and
8 conditions of financial assistance provided under this
9 Section, including the ability to recapture funds if the
10 recipient is found to be noncompliant with the terms and
11 conditions of the financial assistance agreement;

12 (7) establish application, notification, contract, and
13 other forms, procedures, or rules deemed necessary and
14 appropriate; and

15 (8) utilize vendors or contract work to carry out the
16 purposes of this Act.

17 (c) Loans made under this Section:

18 (1) shall only be made if, in the Department's
19 judgment, the project furthers the goals set forth in this
20 Act; and

21 (2) shall be in such principal amount and form and
22 contain such terms and provisions with respect to security,
23 insurance, reporting, delinquency charges, default
24 remedies, and other matters as the Department shall
25 determine appropriate to protect the public interest and to
26 be consistent with the purposes of this Section. The terms

1 and provisions may be less than required for similar loans
2 not covered by this Section.

3 (d) Grants made under this Section shall be awarded on a
4 competitive and annual basis under the Grant Accountability and
5 Transparency Act. Grants made under this Section shall further
6 and promote the goals of this Act, including promotion of
7 Social Equity Applicants, job training and workforce
8 development, and technical assistance to Social Equity
9 Applicants.

10 (e) Beginning January 1, 2021 and each year thereafter, the
11 Department shall annually report to the Governor and the
12 General Assembly on the outcomes and effectiveness of this
13 action that shall include the following:

14 (1) the number of persons or businesses receiving
15 financial assistance under this Section;

16 (2) the amount in financial assistance awarded in the
17 aggregate, in addition to the amount in loans made that are
18 outstanding and the amount of grants awarded;

19 (3) the location of the project engaged in by the
20 person or business; and

21 (4) if applicable, the number of new jobs and other
22 forms of economic output created as a result of the
23 financial assistance.

24 (f) The Department of Commerce and Economic Opportunity
25 shall include engagement with individuals with limited English
26 proficiency as part of its outreach provided or targeted to

1 attract and support Social Equity Applicants.

2 Section 7-20. Fee waivers.

3 (a) The Department of Financial and Professional
4 Regulation and the Department of Agriculture shall waive 50% of
5 any nonrefundable license application fees (up to 2
6 applications) and any nonrefundable fees associated with
7 purchasing a license to operate a cannabis business
8 establishment (up to 2 licenses), provided a Social Equity
9 Applicant meets the following qualifications at the time the
10 payment is due:

11 (1) the applicant, including all individuals and
12 entities with 10% or greater ownership and all parent
13 companies, subsidiaries, and affiliates, has less than a
14 total of \$750,000 of income in the previous calendar year;
15 and

16 (2) the applicant, including all individuals and
17 entities with 10% or greater ownership and all parent
18 companies, subsidiaries, and affiliates, has no more than 2
19 other licenses for cannabis business establishments in the
20 State of Illinois.

21 (b) The Department of Financial and Professional
22 Regulation and the Department of Agriculture may require Social
23 Equity Applicants to attest that they meet the requirements for
24 a fee waiver as provided in subsection (a) and to provide
25 evidence of annual total income in the previous calendar year.

1 (c) The Department of Financial and Professional
2 Regulation and the Department of Agriculture shall be
3 compensated at an equal amount to any fees waived under
4 subsection (a) of this Section from moneys in the Cannabis
5 Business Development Fund.

6 (d) If the Department of Financial and Professional
7 Regulation or the Department of Agriculture determines that an
8 applicant who applied as a Social Equity Applicant is not
9 eligible for such status, the applicant shall be provided an
10 additional 10 days to provide alternative evidence that he or
11 she qualifies as a Social Equity Applicant. Alternatively, the
12 applicant may pay the remainder of the waived fee and be
13 considered as a non-Social Equity Applicant. If the applicant
14 cannot do either, then the Departments may keep the initial
15 application fee and the application shall not be graded and the
16 application shall not be graded.

17 Section 7-25. Transfer of license awarded to Social Equity
18 Applicant.

19 (a) In the event a Social Equity Applicant seeks to
20 transfer, sell, or grant a cannabis business establishment
21 license within 5 years after it was issued to a person or
22 entity that does not qualify as a Social Equity Applicant, the
23 transfer agreement shall require the new license holder to pay
24 the Cannabis Business Development Fund an amount equal to:

25 (1) any fees that were waived by any State agency based

1 on the applicant's status as a Social Equity Applicant, if
2 applicable;

3 (2) any outstanding amount owed by the Qualified Social
4 Equity Applicant for a loan through the Cannabis Business
5 Development Fund, if applicable; and

6 (3) the full amount of any grants that the Qualified
7 Social Equity Applicant received from the Department of
8 Commerce and Economic Opportunity, if applicable.

9 (b) Transfers of cannabis establishment licenses awarded
10 to a Social Equity Applicant are subject to all other
11 provisions of this Act, the Compassionate Use of Medical
12 Cannabis Pilot Program Act, and rules regarding transfers.

13 Section 7-30. Reporting. By January 1, 2021, and on January
14 1 of every year thereafter, or upon request by the Illinois
15 Cannabis Regulation Oversight Officer, each cannabis business
16 establishment licensed under this Act shall report to the
17 Illinois Cannabis Regulation Oversight Officer, on a form to be
18 provided by the Illinois Cannabis Regulation Oversight
19 Officer, information that will allow it to assess the extent of
20 diversity in the medical and adult use cannabis industry and
21 methods for reducing or eliminating any identified barriers to
22 entry, including access to capital. The information shall
23 include:

24 (1) the number and percentage of licenses provided to
25 minority-owned, women-owned, and veteran-owned businesses;

(2) the total number and percentage of minority, women, and veteran employees in the cannabis industry; and

(3) recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the cannabis industry.

ARTICLE 10.

PERSONAL USE OF CANNABIS

Section 10-5. Personal use of cannabis; restrictions on cultivation; penalties.

(a) Beginning January 1, 2020, notwithstanding any other provision of law, and except as otherwise provided in this Act, the following acts are not a violation of this Act and shall not be a criminal or civil offense under State law or the ordinances of any unit of local government of this State or be a basis for seizure or forfeiture of assets under State law for persons 21 years of age or older to:

(1) possess, consume, use, purchase, obtain, or transport an amount of cannabis for personal use that does not exceed the possession limit under Section 10-10 or otherwise in accordance with the requirements of this Act;

(2) cultivate cannabis for personal use in accordance with the requirements of this Act; and

(3) control property if actions that are authorized by this Section occur on the property.

1 (b) Cultivating cannabis for personal use is subject to the
2 following limitations:

3 (1) An Illinois resident age 21 years of age or older
4 may cultivate up to 5 cannabis plants per household without
5 a cultivation center or craft grower license. In this
6 Section, "resident" means a person who has been domiciled
7 in the State of Illinois for a period of 30 days before
8 cultivation.

9 (2) Cannabis cultivation must take place in an
10 enclosed, locked secure area to cultivate cannabis for
11 personal use, such as a room, greenhouse, building, or
12 other enclosed area equipped with locks or other security
13 devices that permit access only by authorized individuals
14 under this Act. Secure areas may include:

15 (A) a room within a residential building that (i)
16 is the primary residence of the individual registered
17 to home grow 5 or fewer cannabis plants in the
18 flowering stage and (ii) includes sleeping quarters
19 and indoor plumbing. The room must only be accessible
20 by a key or code that is different from any key or code
21 that can be used to access the residential building
22 from the exterior; or

23 (B) a structure, such as a shed or greenhouse, that
24 lies on the same plot of land as a residential building
25 that (i) includes sleeping quarters and indoor
26 plumbing and (ii) is used as a primary residence by the

1 person registered to home grow 5 or fewer cannabis
2 plants in the flowering stage, such as, but not limited
3 to, a shed or greenhouse. The structure must remain
4 locked when it is unoccupied by people.

5 (3) Adult purchasers may purchase cannabis seeds from a
6 dispensary for the purpose of home cultivation. Seeds may
7 not be given or sold to any other person.

8 (4) Cannabis plants shall not be stored or placed in a
9 location where they are subject to ordinary public view, as
10 defined in this Act. A person who cultivates cannabis under
11 this Section shall take reasonable precautions to ensure
12 the plants are secure from unauthorized access and access
13 by a person under 21 years of age.

14 (5) Cannabis cultivation may occur only on residential
15 property lawfully in possession of the cultivator or with
16 the consent of the person in lawful possession of the
17 property. A lessor of residential property may prohibit the
18 cultivation of cannabis by a lessee.

19 (6) A person who is cultivating cannabis may not
20 possess more than 5 rootbound plants at any one time.

21 (7) A dwelling, residence, apartment, condominium,
22 enclosed, locked space, or piece of property not divided
23 into multiple dwelling units shall not contain more than 5
24 plants at any one time.

25 (8) Cannabis plants may only be tended by residents who
26 reside at the residence, or their authorized agent

1 attending to the residence for brief periods, such as when
2 the resident is temporarily away from the residence.

3 (9) A person who cultivates more than the allowable
4 number of cannabis plants, or who sells or gives away
5 cannabis plants, cannabis, or cannabis-infused products
6 produced under this Section, is liable for penalties as
7 provided by law, including the Cannabis Control Act, in
8 addition to loss of home cultivation privileges as
9 established by rule.

10 Section 10-10. Possession limit.

11 (a) Except if otherwise authorized by this Act, for a
12 person who is 21 years of age or older and a resident of this
13 State, the possession limit is as follows:

14 (1) 30 grams of cannabis flower;
15 (2) no more than 500 milligrams of THC contained in
16 cannabis-infused product;

17 (3) 5 grams of cannabis concentrate; and

18 (4) any cannabis produced by cannabis grown under
19 subsection (b) of Section 10-5, provided any amount of
20 cannabis produced in excess of 30 grams of raw cannabis or
21 its equivalent must remain secured within the residence or
22 residential property in which it was grown.

23 (b) For a person who is 21 years of age or older and who is
24 not a resident of this State, the possession limit is:

25 (1) 15 grams of cannabis flower;

(2) 2.5 grams of cannabis concentrate; and

(3) 250 milligrams of THC contained in a cannabis-infused product.

(c) The possession limits found in subsections (a) and (b) of this Section are to be considered cumulative.

(d) For a patient or caregiver registered under the Compassionate Use of Medical Cannabis Pilot Program Act, the possession limit shall not exceed the amount the registered patient or caregiver is authorized to purchase during any 2-week period.

(e) No person shall knowingly obtain, seek to obtain, or possess an amount of cannabis from a dispensing organization or craft grower that would cause him or her to exceed the possession limit under this Section, including cannabis that is cultivated by a person under this Act or obtained under the Compassionate Use of Medical Cannabis Pilot Program Act.

Section 10-15. Persons under 21 years of age.

(a) Nothing in this Act is intended to permit the transfer of cannabis, with or without remuneration, to a person under 21 years of age, or to allow a person under 21 years of age to purchase, possess, use, process, transport, grow, or consume cannabis except where authorized by the Compassionate Use of Medical Cannabis Pilot Program Act.

(b) Notwithstanding any other provisions of law authorizing the possession of medical cannabis, nothing in this

1 Act authorizes a person who is under 21 years of age to possess
2 cannabis. A person under 21 years of age with cannabis in his
3 or her possession equal to or under the possession limit in
4 subsection (a) of Section 10-10 is guilty of a Class A
5 misdemeanor. A person who is under 21 years of age with
6 cannabis in his or her possession over the possession limit set
7 forth in subsection (a) of Section 10-10 is subject to the
8 provisions of the Cannabis Control Act.

9 (c) The Secretary of State may suspend or revoke the
10 driving privileges of any person for a violation of this
11 Section under Section 6-206 of the Illinois Vehicle Code and
12 the rules adopted under it.

13 (d) It is unlawful for any parent or guardian to knowingly
14 permit his or her residence, any other private property under
15 his or her control, or any vehicle, conveyance, or watercraft
16 under his or her control to be used by an invitee of the
17 parent's child or the guardian's ward, if the invitee is under
18 the age of 21, in a manner that constitutes a violation of this
19 Section. A parent or guardian is deemed to have knowingly
20 permitted his or her residence, any other private property
21 under his or her control, or any vehicle, conveyance, or
22 watercraft under his or her control to be used in violation of
23 this Section if he or she knowingly authorizes or permits
24 consumption of cannabis by underage invitees. Any person who
25 violates this subsection (d) is guilty of a Class A misdemeanor
26 and the person's sentence shall include, but shall not be

1 limited to, a fine of not less than \$500. If a violation of
2 this subsection (d) directly or indirectly results in great
3 bodily harm or death to any person, the person violating this
4 subsection is guilty of a Class 4 felony. In this subsection
5 (d) where the residence or other property has an owner and a
6 tenant or lessee, the trier of fact may infer that the
7 residence or other property is occupied only by the tenant or
8 lessee.

9 Section 10-20. Identification; false identification;
10 penalty.

11 (a) To protect personal privacy, the Department of
12 Financial and Professional Regulation shall not require a
13 purchaser to provide a dispensing organization with personal
14 information other than government-issued identification to
15 determine the purchaser's age, and a dispensing organization
16 shall not obtain and record personal information about
17 purchasers without the purchaser's consent. A dispensing
18 organization shall use an electronic reader or electronic
19 scanning device to scan a consumer's government-issued
20 identification, if applicable, to determine the consumer's age
21 and the validity of the identification.

22 (b) A person who is under 21 years of age may not present
23 or offer to a cannabis business establishment or the cannabis
24 business establishment's principal or employee any written or
25 oral evidence of age that is false, fraudulent, or not actually

1 the person's own, for the purpose of:

2 (1) purchasing, attempting to purchase, or otherwise
3 obtaining or attempting to obtain cannabis or any cannabis
4 product; or

5 (2) gaining access to a cannabis establishment.

6 (c) A violation of this Section is a Class A misdemeanor
7 consistent with Section 6-20 of the Liquor Control Act of 1934.

8 (d) The Secretary of State may suspend or revoke the
9 driving privileges of any person for a violation of this
10 Section under Section 6-206 of the Illinois Vehicle Code and
11 the rules adopted under it.

12 (e) No agent or employee of the licensee shall be
13 disciplined or discharged for selling or furnishing cannabis or
14 cannabis products to a person under 21 years of age if the
15 agent or employee demanded and was shown, before furnishing
16 cannabis or cannabis products to a person under 21 years of
17 age, adequate written evidence of age and identity of the
18 person. This subsection (e) does not apply if the agent or
19 employee accepted the written evidence knowing it to be false
20 or fraudulent. Adequate written evidence of age and identity of
21 the person is a document issued by a federal, State, county, or
22 municipal government, or subdivision or agency thereof,
23 including, but not limited to, a motor vehicle operator's
24 license, a registration certificate issued under the Military
25 Selective Service Act, or an identification card issued to a
26 member of the Armed Forces. Proof that the licensee, or his or

1 her employee or agent was shown and reasonably relied upon such
2 written evidence in any transaction forbidden by this Section
3 is an affirmative defense in any criminal prosecution therefor
4 or to any proceedings for the suspension or revocation of any
5 license based thereon.

6 Section 10-25. Immunities and presumptions related to the
7 use of cannabis by purchasers.

8 (a) A purchaser who is 21 years of age or older is not
9 subject to arrest, prosecution, denial of any right or
10 privilege, or other punishment including, but not limited to,
11 any civil penalty or disciplinary action taken by an
12 occupational or professional licensing board, based solely on
13 the use of cannabis if (1) the purchaser possesses an amount of
14 cannabis that does not exceed the possession limit under
15 Section 10-10 and, if the purchaser is licensed, certified, or
16 registered to practice any trade or profession under any Act
17 and (2) the use of cannabis does not impair that person when he
18 or she is engaged in the practice of the profession for which
19 he or she is licensed, certified, or registered.

20 (b) A purchaser 21 years of age or older is not subject to
21 arrest, prosecution, denial of any right or privilege, or other
22 punishment including, but not limited to, any civil penalty or
23 disciplinary action taken by an occupational or professional
24 licensing board, based solely for (i) selling cannabis
25 paraphernalia if employed and licensed as a dispensing agent by

1 a dispensing organization, or (ii) being in the presence or
2 vicinity of the use of cannabis as allowed under this Act.

3 (c) Mere possession of, or application for, an agent
4 identification card or license does not constitute probable
5 cause or reasonable suspicion to believe that a crime has been
6 committed, nor shall it be used as the sole basis to support
7 the search of the person, property, or home of the person
8 possessing or applying for the agent identification card. The
9 possession of, or application for, an agent identification card
10 does not preclude the existence of probable cause if probable
11 cause exists based on other grounds.

12 (d) No person employed by the State of Illinois shall be
13 subject to criminal or civil penalties for taking any action in
14 good faith in reliance on this Act when acting within the scope
15 of his or her employment. Representation and indemnification
16 shall be provided to State employees as set forth in Section 2
17 of the State Employee Indemnification Act.

18 (e) No law enforcement or correctional agency, nor any
19 person employed by a law enforcement or correctional agency,
20 shall be subject to criminal or civil liability, except for
21 willful and wanton misconduct, as a result of taking any action
22 within the scope of the official duties of the agency or person
23 to prohibit or prevent the possession or use of cannabis by a
24 person incarcerated at a correctional facility, jail, or
25 municipal lockup facility, on parole or mandatory supervised
26 release, or otherwise under the lawful jurisdiction of the

1 agency or person.

2 (f) For purposes of receiving medical care, including organ
3 transplants, a person's use of cannabis under this Act does not
4 constitute the use of an illicit substance or otherwise
5 disqualify a person from medical care.

6 Section 10-30. Discrimination prohibited.

7 (a) Neither the presence of cannabinoid components or
8 metabolites in a person's bodily fluids nor possession of
9 cannabis-related paraphernalia, nor conduct related to the use
10 of cannabis or the participation in cannabis-related
11 activities lawful under this Act by a custodial or noncustodial
12 parent, grandparent, legal guardian, foster parent, or other
13 person charged with the well-being of a child, shall form the
14 sole or primary basis or supporting basis for any action or
15 proceeding by a child welfare agency or in a family or juvenile
16 court, any adverse finding, adverse evidence, or restriction of
17 any right or privilege in a proceeding related to adoption of a
18 child, acting as a foster parent of a child, or a person's
19 fitness to adopt a child or act as a foster parent of a child,
20 or serve as the basis of any adverse finding, adverse evidence,
21 or restriction of any right or privilege in a proceeding
22 related to guardianship, conservatorship, trusteeship, the
23 execution of a will, or the management of an estate, unless the
24 person's actions in relation to cannabis created an
25 unreasonable danger to the safety of the minor or otherwise

1 show the person to not be competent as established by clear and
2 convincing evidence. This subsection applies only to conduct
3 protected under this Act.

4 (b) No landlord may be penalized or denied any benefit
5 under State law for leasing to a person who uses cannabis under
6 this Act.

7 (c) Nothing in this Act may be construed to require any
8 person or establishment in lawful possession of property to
9 allow a guest, client, lessee, customer, or visitor to use
10 cannabis on or in that property.

11 Section 10-35. Limitations and penalties.

12 (a) This Act does not permit any person to engage in, and
13 does not prevent the imposition of any civil, criminal, or
14 other penalties for engaging in, any of the following conduct:

15 (1) undertaking any task under the influence of
16 cannabis when doing so would constitute negligence,
17 professional malpractice, or professional misconduct;

18 (2) possessing cannabis:

19 (A) in a school bus, unless permitted for a
20 qualifying patient or caregiver pursuant to the
21 Compassionate Use of Medical Cannabis Pilot Program
22 Act;

23 (B) on the grounds of any preschool or primary or
24 secondary school, unless permitted for a qualifying
25 patient or caregiver pursuant to the Compassionate Use

1 of Medical Cannabis Pilot Program Act;

2 (C) in any correctional facility;

3 (D) in a vehicle not open to the public unless the
4 cannabis is in a reasonably secured, sealed, container
5 and reasonably inaccessible while the vehicle is
6 moving; or

7 (E) in a private residence that is used at any time
8 to provide licensed child care or other similar social
9 service care on the premises;

10 (3) using cannabis:

11 (A) in a school bus, unless permitted for a
12 qualifying patient or caregiver pursuant to the
13 Compassionate Use of Medical Cannabis Pilot Program
14 Act;

15 (B) on the grounds of any preschool or primary or
16 secondary school, unless permitted for a qualifying
17 patient or caregiver pursuant to the Compassionate Use
18 of Medical Cannabis Pilot Program Act;

19 (C) in any correctional facility;

20 (D) in any motor vehicle;

21 (E) in a private residence that is used at any time
22 to provide licensed child care or other similar social
23 service care on the premises;

24 (F) in any public place; or

25 (G) knowingly in close physical proximity to
26 anyone under 21 years of age who is not a registered

1 medical cannabis patient under the Compassionate Use
2 of Medical Cannabis Pilot Program Act;

3 (4) smoking cannabis in any place where smoking is
4 prohibited under the Smoke Free Illinois Act;

5 (5) operating, navigating, or being in actual physical
6 control of any motor vehicle, aircraft, or motorboat while
7 using or under the influence of cannabis in violation of
8 Section 11-501 or 11-502.1 of the Illinois Vehicle Code;

9 (6) facilitating the use of cannabis by any person who
10 is not allowed to use cannabis under this Act or the
11 Compassionate Use of Medical Cannabis Pilot Program Act to
12 use cannabis;

13 (7) transferring cannabis to any person contrary to
14 this Act or the Compassionate Use of Medical Cannabis Pilot
15 Program Act;

16 (8) the use of cannabis by a law enforcement officer,
17 corrections officer, probation officer, or firefighter
18 while on duty; or

19 (9) the use of cannabis by a person who has a school
20 bus permit or a Commercial Driver's License while on duty.

21 As used in this Section, "public place" means any place
22 where a person could reasonably be expected to be observed by
23 others. "Public place" includes all parts of buildings owned in
24 whole or in part, or leased, by the State or a unit of local
25 government. "Public place" does not include a private residence
26 unless the private residence is used to provide licensed child

1 care, foster care, or other similar social service care on the
2 premises.

3 (b) Nothing in this Act shall be construed to prevent the
4 arrest or prosecution of a person for reckless driving or
5 driving under the influence of cannabis if probable cause
6 exists.

7 (c) Nothing in this Act shall prevent a private business
8 from restricting or prohibiting the use of cannabis on its
9 property, including areas where motor vehicles are parked.

10 (d) Nothing in this Act shall require an individual or
11 business entity to violate the provisions of federal law,
12 including colleges or universities that must abide by the
13 Drug-Free Schools and Communities Act Amendments of 1989, which
14 requires campuses to be drug free.

15 Section 10-40. Restoring Our Communities Program.

16 (a) The General Assembly finds that in order to address the
17 disparity described in (a) of this Section, aggressive
18 approaches and targeted resources to support local design and
19 control of community-based responses to these outcomes are
20 required, which requires identification and support of
21 community assets that address components of the social
22 determinants of health. To carry out this intent, the Restoring
23 Our Communities (ROC) Program is created for the following
24 purposes:

25 (1) to directly address the impact of economic

1 disinvestment, violence and the historical overuse of
2 criminal justice responses to community and individual
3 needs by providing resources to support local design and
4 control of community-based responses to these impacts;

5 (2) to substantially reduce both the total amount of
6 gun violence and concentrated poverty in this State;

7 (3) to protect communities from gun violence through
8 targeted investments and intervention programs, including
9 economic growth and improving family violence prevention,
10 community trauma treatment rates, gun injury victim
11 services, and public health prevention activities;

12 (4) to promote employment infrastructure and capacity
13 building related to the social determinants of health in
14 the eligible community areas.

15 (b) In this Section, "Authority" means the Illinois
16 Criminal Justice Information Authority.

17 (c) Eligibility of ROC Areas. Within 60 days after the
18 effective date of this Act, the Authority shall identify as
19 eligible, areas in this State by way of historically recognized
20 geographic boundaries, to be designated by the Restoring Our
21 Communities Program Board as ROC Areas and therefore eligible
22 to apply for ROC funding. Local groups within ROC Areas will be
23 eligible to apply for State funding through the Restoring Our
24 Communities Program Board. Qualifications for designation as a
25 ROC Area are as follows:

26 (1) Based on an analysis of data, communities in this

1 State that are high need, underserved, disproportionately
2 impacted by historical economic disinvestment, and ravaged
3 by violence as indicated by the highest rates of gun
4 injury, unemployment, child poverty rates, and commitments
5 to and returns from the Illinois Department of Corrections.

6 (2) The Authority shall send to the Legislative Audit
7 Commission and make publicly available its analysis and
8 identification of eligible ROC Areas and shall recalculate
9 the eligibility data every 4 years. On an annual basis, the
10 Authority shall analyze data and indicate if data covering
11 any ROC Area or portion of an Area has, for 4 consecutive
12 years, substantially deviated from the average of
13 statewide data on which the original calculation was made
14 to determine the Areas, including disinvestment, violence,
15 gun injury unemployment, child poverty rates, or
16 commitments to or returns from the Illinois Department of
17 Corrections.

18 (d) The Restoring Our Communities Program Board shall
19 encourage collaborative partnerships within each ROC Area to
20 minimize multiple partnerships per Area.

21 (e) The Restoring Our Communities Program Board is created
22 and shall reflect the diversity of the State of Illinois,
23 including geographic, racial, and ethnic diversity. Using the
24 data provided by the Authority, the Restoring Our Communities
25 Program Board shall be responsible for designating the ROC Area
26 boundaries and for the selection and oversight of ROC Area

1 grantees. The Restoring Our Communities Program Board
2 co-chairs and ex officio members shall, within 4 months after
3 the effective date of this Act, convene the Board to appoint a
4 full Restoring Our Communities Program Board and oversee,
5 provide guidance to, and develop an administrative structure
6 for the ROC Program.

7 (1) The ex officio members are:

8 (A) The Governor, or his or her designee, who shall
9 serve as co-chair.

10 (B) The Attorney General, or his or her designee,
11 who shall serve as co-chair.

12 (C) The Director of Commerce and Economic
13 Opportunity, or his or her designee.

14 (D) The Director of Public Health, or his or her
15 designee.

16 (E) The Director of Corrections, or his or her
17 designee.

18 (F) The Executive Director of the Illinois
19 Criminal Justice Information Authority, or his or her
20 designee.

21 (G) The Director of Employment Security, or his or
22 her designee.

23 (H) The Secretary of Human Services, or his or her
24 designee.

25 (I) A member of the Senate, designated by the
26 President of the Senate.

1 (J) A member of the House of Representatives,
2 designated by the Speaker of the House of
3 Representatives.

4 (K) A member of the Senate, designated by the
5 Minority Leader of the Senate.

6 (L) A member of the House of Representatives,
7 designated by the Minority Leader of the House of
8 Representatives.

9 (2) Within 60 days after the ROC Areas have been
10 designated by the Restoring Our Communities Program Board,
11 the following members shall be appointed to the Board by
12 the ex officio members:

13 (A) The highest elected public officials of
14 municipal geographic jurisdictions in the State that
15 include a ROC Area, or their designees;

16 (B) 4 community-based providers or community
17 development organization representatives who provide
18 services to treat violence and address the social
19 determinants of health, or promote community
20 investment, including, but not limited to, services
21 such as job placement and training, educational
22 services, workforce development programming, and
23 wealth building. The community-based organization
24 representatives shall work primarily in jurisdictions
25 that include a ROC Area and no more than 2
26 representatives shall work primarily in Cook County.

1 At least one of the community-based providers shall
2 have expertise in providing services to an immigrant
3 population;

4 (C) Two subject matter experts in the field of
5 violence reduction;

6 (D) One male who has previously been incarcerated
7 over the age of 24 at time of appointment;

8 (E) One female who has previously been
9 incarcerated over the age of 24 at time of appointment;

10 (F) Two individuals who have previously been
11 incarcerated between the ages of 17 and 24 at time of
12 appointment.

13 As used in this paragraph (2), "an individual who has been
14 previously incarcerated" means a person who has been convicted
15 of or pled guilty to one or more felonies, who was sentenced to
16 a term of imprisonment, and who has completed his or her
17 sentence.

18 The Board members who are not affiliated with any
19 governmental body will be eligible for compensation as
20 determined by ex officio Board members within 4 months of the
21 effective date of this Act. Once all its members have been
22 appointed as outlined in items (A) through (F) of this
23 paragraph (2), the Board may exercise any power, perform any
24 function, take any action, or do anything in furtherance of its
25 purposes and goals upon the appointment of a quorum of its
26 members. The Board terms of the non-ex officio and General

1 Assembly Board members shall end 4 years from the date of
2 appointment.

3 (f) Within 12 months after the effective date of this Act,
4 the Board shall:

5 (1) develop a process to solicit applications from
6 eligible ROC Areas;

7 (2) develop a standard template for both planning and
8 implementation activities to be submitted by ROC Areas to
9 the State;

10 (3) identify resources from Restoring Our Communities
11 sufficient to support the full administration and
12 evaluation of the ROC Program, including building and
13 sustaining core program capacity at the community and State
14 levels;

15 (4) review ROC Area grant applications and proposed
16 agreements and approve the distribution of resources;

17 (5) identify and fund an organization or organizations
18 to provide training and technical assistance to ROC Area
19 applicants or grantees who may need capacity building
20 support, including data collection support. The identified
21 organization or organizations may serve as a fiscal agent
22 for the purpose of ensuring that potential applicants in
23 eligible ROC Areas are not deemed ineligible.

24 (6) develop a performance measurement system that
25 focuses on positive outcomes and includes, but is not
26 limited to: key performance indicators related to the

1 social determinants of health; the root causes of violence;
2 outreach, intervention, and support for individuals at
3 highest risk of violence; and decreasing the use of and
4 impacts of a historical overuse of criminal justice
5 responses, incarceration, and correctional control;

6 (7) develop a process to support ongoing monitoring and
7 evaluation of ROC programs; and

8 (8) deliver an annual report to the General Assembly
9 and to the Governor to be posted on the Governor's Office
10 and General Assembly websites and provide to the public an
11 annual report on its progress.

12 (g) ROC Area grants.

13 (1) Grant funds shall be awarded by the Restoring Our
14 Communities Program Board based on the likelihood that the
15 plan will achieve the outcomes outlined in subsection (b)
16 and consistent with the requirements of the Grant
17 Accountability and Transparency Act. The ROC Program shall
18 also facilitate the provision of training and technical
19 assistance for capacity building within and among ROC
20 Areas.

21 (2) ROC Program Board grants shall, within the first 3
22 to 6 months of operation:

23 (A) use data analysis and community input to
24 assess: the needs and assets of the community and
25 identify the issue or problems to be addressed related
26 to the social determinants of health; the root causes

1 of violence; and outreach, intervention, and support
2 for individuals at highest risk of violence;

3 (B) identify and use models, programs, and
4 interventions that have a basis in evidence or best
5 practice research for addressing needs and supporting
6 assets related to: the social determinants of health;
7 the root causes of violence; and outreach,
8 intervention, and support for individuals at highest
9 risk of violence;

10 (C) develop programming that will reduce the use of
11 the criminal justice system to reduce violence and
12 increase public safety; and

13 (D) develop performance measures that track the
14 outcomes to be achieved.

15 (3) The Restoring Our Communities Program Board and the
16 ROC Area grantees shall, within a period of no more than 2
17 months from the completion of planning activities
18 described in this Section, finalize an agreement on the
19 plan for implementation. Implementation activities shall:

20 (A) have a basis in evidence or best practice
21 research or have evaluations demonstrating the
22 capacity to address: needs and support assets related
23 to the social determinants of health; the root causes
24 of violence; and outreach, intervention, and support
25 for individuals at highest risk of violence; to produce
26 desired outcomes;

(B) collect data from the inception of planning activities through implementation, with data collection technical assistance when needed, including cost data and data related to identified meaningful short-term, mid-term, and long-term goals and metrics;

(C) report data to the Restoring Our Communities Program Board bi-annually; and

(D) set aside a percentage of the total grant for core program capacity to support effective implementation to include:

(i) Dedicated staff at the community level to administer and coordinate the Program.

(ii) Data collection technology and staff to facilitate feedback between the State and local stakeholders.

(iii) Monitoring and evaluation.

(iv) Engagement in training and technical assistance with other ROC Area grantees from the State and other sources, including peer learning and cross training from other ROC programs.

Section 10-50. Employment; employer liability.

(a) Nothing in this Act shall prohibit an employer from adopting reasonable employment policies concerning smoking, consumption, storage or use of cannabis in the workplace provided that the policy is applied in a nondiscriminatory

1 manner.

2 (b) Nothing in this Act shall require an employer to permit
3 an employee to be under the influence of or use cannabis in the
4 employer's workplace or while performing the employee's job
5 duties.

6 (c) Nothing in this Act shall limit an employer from
7 disciplining an employee or terminating employment of an
8 employee for violating an employer's employment policies or
9 workplace drug policy.

10 (d) An employer may consider an employee to be impaired by
11 cannabis if the employer has a good faith belief that an
12 employee was under the influence of cannabis and the employee
13 manifests specific, articulable symptoms while working that
14 decrease or lessen the employee's performance of the duties or
15 tasks of the employee's job position, including symptoms of the
16 employee's speech, physical dexterity, agility, coordination,
17 demeanor, irrational or unusual behavior, or negligence or
18 carelessness in operating equipment or machinery; disregard
19 for the safety of the employee or others, or involvement in an
20 accident that results in serious damage to equipment or
21 property, disruption of a production or manufacturing process,
22 or carelessness that results in any injury to the employee or
23 others. If an employer elects to discipline an employee on the
24 basis that the employee is impaired by cannabis, the employer
25 must afford the employee a reasonable opportunity to contest
26 the basis of the determination.

1 (e) Nothing in this Act shall be construed to create or
2 imply a cause of action for any person against an employer for:

3 (1) actions, including, but not limited to, discipline
4 or termination of employment, based on the employer's good
5 faith belief that an employee used or possessed cannabis in
6 the employer's workplace or while performing the
7 employee's job duties in violation of the employer's
8 employment policies;

9 (2) actions, including discipline or termination of
10 employment, based on the employer's good faith belief that
11 an employee was impaired as a result of the use of cannabis
12 on the employer's workplace or while performing the
13 employee's job duties in violation of the employer's
14 workplace drug policy; or

15 (3) injury, loss, or liability to a third party if the
16 employer neither knew nor had reason to know that the
17 employee was impaired.

18 (f) Nothing in this Act shall be construed to enhance or
19 diminish protections afforded by any other law, including, but
20 not limited to, the Compassionate Use of Medical Cannabis Pilot
21 Program Act or the Opioid Alternative Pilot Program.

22 (g) Nothing in this Act shall be construed to interfere
23 with any federal, State, or local restrictions on employment
24 including but not limited to the United States Department of
25 Transportation regulation 49 CFR 40.151(e) or impact an
26 employer's ability to comply with federal or State law or cause

1 it to lose a federal or State contract or funding.

(h) As used in this Section, "workplace" means the employer's premises, including any building, real property, and parking area under the control of the employer or area used by an employee while in performance of the employee's job duties, and vehicles, whether leased, rented, or owned. Workplace may be further defined by the employer's written employment policy.

ARTICLE 15.

LICENSE AND REGULATION OF DISPENSING ORGANIZATIONS

Section 15-5. Authority.

12 (a) It is the duty of the Department of Financial and
13 Professional Regulation to administer and enforce the
14 provisions of this Act relating to the licensure and oversight
15 of dispensing organizations and dispensing organization agents
16 unless otherwise provided in this Act.

17 (b) No person shall operate a dispensing organization for
18 the purpose of serving purchasers of cannabis or cannabis
19 products without a license issued under this Article by the
20 Department of Financial and Professional Regulation. No person
21 shall be an officer, director, manager, or employee of a
22 dispensing organization without having been issued a
23 dispensing organization agent card by the Department of
24 Financial and Professional Regulation.

1 (c) Subject to the provisions of this Act, the Department
2 of Financial and Professional Regulation may exercise the
3 following powers and duties:

4 (1) Prescribe forms to be issued for the administration
5 and enforcement of this Article.

6 (2) Examine, inspect, and investigate the premises,
7 operations, and records of dispensing organization
8 applicants and licensees.

9 (3) Conduct investigations of possible violations of
10 this Act pertaining to dispensing organizations and
11 dispensing organization agents.

12 (4) Conduct hearings on proceeding to refuse to issue
13 or renew licenses or to revoke, suspend, place on
14 probation, reprimand, or otherwise discipline a license
15 under this Article or take other nondisciplinary action.

16 (5) Adopt rules required for the administration of this
17 Article.

18 Section 15-10. Medical cannabis dispensing organization
19 exemption. This Article does not apply to medical cannabis
20 dispensing organizations registered under the Compassionate
21 Use of Medical Cannabis Pilot Program Act, except for those
22 issued Early Approval Adult Use Dispensing Organization
23 Licenses under this Article.

24 Section 15-15. Early Approval Adult Use Dispensing

1 Organization License.

2 (a) Any medical cannabis dispensing organization holding a
3 valid licenses and registered under the Compassionate Use of
4 Medical Cannabis Pilot Program Act on the effective date of
5 this Act may, within 60 days of the effective date of this Act,
6 apply to the Department of Financial and Professional
7 Regulation for an Early Approval Adult Use Dispensing
8 Organization License to serve purchasers at any medical
9 cannabis dispensing location in operation on the effective date
10 of this Act, pursuant to this Section.

11 (b) A medical cannabis dispensing organization seeking
12 issuance of an Early Approval Adult Use Dispensing Organization
13 License to serve purchasers at any medical cannabis dispensing
14 location in operation as of the effective date of this Act
15 shall submit an application on forms provided by the Department
16 of Financial and Professional Regulation. The application must
17 be submitted by the same person or entity that holds the
18 medical cannabis dispensing organization registration and
19 include the following:

20 (1) Payment of a nonrefundable fee of \$30,000 to be
21 deposited in the Cannabis Regulation Fund;

22 (2) Proof of registration as a medical cannabis
23 dispensing organization that is in good standing;

24 (3) Certification that the applicant will comply with
25 the requirements contained in the Compassionate Use of
26 Medical Cannabis Pilot Program Act except as provided in

1 this Act;

2 (4) The legal name of the dispensing organization;

3 (5) The physical address of the dispensing
4 organization;

5 (6) The name, address, social security number, and date
6 of birth of each principal officer and board member of the
7 dispensing organization, each of whom must be at least 21
8 years of age;

9 (7) A nonrefundable Cannabis Business Development Fee
10 equal to 3% of the dispensing organization's total sales
11 between July 1, 2018 to July 1, 2019 or \$100,000, whichever
12 is less, to be deposited in the Cannabis Business
13 Development Fund; and

14 (8) Identification of one of the following Social
15 Equity Inclusion Plans to be completed by March 31, 2021:

16 (A) Make a contribution of 3% of total sales from
17 June 1, 2018, to June 1, 2019, or \$100,000, whichever
18 is less, to the Cannabis Business Development Fund.

19 This is in addition to the fee required by item (7) of
20 subsection (b) of this Section;

21 (B) Make a grant of 3% of total sales from June 1,
22 2018, to June 1, 2019, or \$100,000, whichever is less,
23 to a cannabis industry training or education program at
24 an Illinois community college as defined in the Public
25 Community College Act;

26 (C) Make a donation of \$100,000 or more to a

1 program that provides job training services to persons
2 recently incarcerated or that operate in a
3 Disproportionately Impacted Area; or

4 (D) Participate as a host in a cannabis business
5 incubator program approved by the Department of
6 Commerce and Economic Development, and in which an
7 Early Approval Adult Use Dispensing Organization
8 License holder agrees to provide a loan of at least
9 \$100,000 and mentorship to incubate a licensee that
10 qualifies as a Social Equity Applicant for at least a
11 year. As used in this Section, "incubate" means
12 providing direct financial assistance and training
13 necessary to engage in licensed cannabis industry
14 activity similar to that of the host licensee. The
15 Early Approval Adult Use Dispensing Organization
16 License holder or the same entity holding any other
17 licenses issued pursuant to this Act shall not take an
18 ownership stake of greater than 10% in any business
19 receiving incubation services to comply with this
20 subsection. If an Early Approval Adult Use Dispensing
21 Organization License holder fails to find a business to
22 incubate to comply with this subsection before its
23 Early Approval Adult Use Dispensing Organization
24 License expires, it may opt to meet the requirement of
25 this subsection by completing another item from this
26 subsection.

1 (c) The license fee required by paragraph (1) of subsection
2 (b) of this Section shall be in addition to any license fee
3 required for the renewal of a registered medical cannabis
4 dispensing organization license.

5 (d) Applicants must submit all required information,
6 including the requirements in subsection (b) of this Section to
7 the Department of Financial and Professional Regulation.
8 Failure by an applicant to submit all required information may
9 result in the application being disqualified.

10 (e) If the Department of Financial and Professional
11 Regulation receives an application that fails to provide the
12 required elements contained in subsection (b), the Department
13 shall issue a deficiency notice to the applicant. The applicant
14 shall have 10 calendar days from the date of the deficiency
15 notice to submit complete information. Applications that are
16 still incomplete after this opportunity to cure may be
17 disqualified.

18 (f) If an applicant meets all the requirements of
19 subsection (b) of this Section, the Department of Financial and
20 Professional Regulation shall issue the Early Approval Adult
21 Use Dispensing Organization License within 14 days of receiving
22 the application unless:

23 (1) The licensee; a principal officer, board member, or
24 person having a financial or voting interest of 5% or
25 greater in the licensee; or an agent is delinquent in
26 filing any required tax returns or paying any amounts owed

1 to the State of Illinois;

2 (2) The Secretary of Financial and Professional
3 Regulation determines there is reason, based on documented
4 compliance violations, the licensee is not entitled to an
5 Early Approval Adult Use Dispensing Organization License;
6 or

7 (3) Any principal officer fails to register and remain
8 in compliance with this Act or the Compassionate Use of
9 Medical Cannabis Pilot Program Act.

10 (g) A registered medical cannabis dispensing organization
11 that obtains an Early Approval Adult Use Dispensing
12 Organization License may begin selling cannabis, cannabis
13 seeds, cannabis-infused products, paraphernalia, and related
14 items to purchasers under the rules of this Act no sooner than
15 January 1, 2020.

16 (h) A dispensing organization holding a medical cannabis
17 dispensing organization license issued under the Compassionate
18 Use of Medical Cannabis Pilot Program Act must maintain an
19 adequate supply of cannabis and cannabis-infused products for
20 purchase by qualifying patients and caregivers. For the
21 purposes of this subsection, adequate supply means a monthly
22 inventory level that is comparable in type and quantity to
23 those medical cannabis products provided to patients and
24 caregivers on an average monthly basis for the 6 months before
25 the effective date of this Act.

26 (i) If there is a shortage of cannabis or cannabis-infused

1 products, a dispensing organization holding both a dispensing
2 organization license under the Compassionate Use of Medical
3 Cannabis Pilot Program Act and this Act shall prioritize
4 serving qualifying patients and caregivers before serving
5 purchasers.

6 (j) Notwithstanding any law or rule to the contrary, a
7 person that holds a medical cannabis dispensing organization
8 license issued under the Compassionate Use of Medical Cannabis
9 Pilot Program Act and an Early Approval Adult Use Dispensing
10 Organization License may permit purchasers into a limited
11 access area as that term is defined in administrative rules
12 made under the authority in the Compassionate Use of Medical
13 Cannabis Pilot Program Act.

14 (k) An Early Approval Adult Use Dispensing Organization
15 License is valid until March 31, 2021. A dispensing
16 organization that obtains an Early Approval Adult Use
17 Dispensing Organization License shall receive written or
18 electronic notice 90 days before the expiration of the license
19 that the license will expire, and inform the license holder
20 that it may apply for an Adult Use Dispensing Organization
21 License. The Department of Financial and Professional
22 Regulation shall grant an Adult Use Dispensing Organization
23 License within 45 days of an application being deemed complete
24 if:

25 (1) the dispensing organization submits an application
26 and the required nonrefundable renewal fee of \$30,000, to

1 be deposited in the Cannabis Regulation Fund; and

2 (2) the Department of Financial and Professional
3 Regulation has not suspended or revoked the Early Approval
4 Adult Use Dispensing Organization License or a medical
5 cannabis dispensing organization license on the same
6 premises the for violating this Act or rules adopted under
7 this Act or the Compassionate Use of Medical Cannabis Pilot
8 Program Act or rules adopted under that Act.

9 (1) The Early Approval Adult Use Dispensing Organization
10 License renewed pursuant to subsection (p) of this Section
11 shall expire March 31, 2022. The Early Approval Adult Use
12 Dispensing Organization Licensee shall receive written or
13 electronic notice 90 days before the expiration of the license
14 that the license will expire, and inform the license holder
15 that it may apply for an Adult Use Dispensing Organization
16 License. The Department of Financial and Professional
17 Regulation shall grant an Adult Use Dispensing Organization
18 License within 45 days of an application being deemed complete
19 if:

20 (1) the dispensing organization submits a
21 nonrefundable registration fee of \$60,000; and

22 (2) the Department of Financial and Professional
23 Regulation has not suspended or revoked the Early Approval
24 Adult Use Dispensing Organization License or a medical
25 cannabis dispensing organization license on the same
26 premises the for violating this Act or rules adopted under

1 this Act or the Compassionate Use of Medical Cannabis Pilot
2 Program Act or rules adopted under that Act.

3 (m) If a dispensary fails to submit an application for an
4 Adult Use Dispensing Organization License before the
5 expiration of the Early Approval Adult Use Dispensing
6 Organization License, the dispensing organization shall cease
7 serving purchasers operations until it receives an Adult Use
8 Dispensing Organization License.

9 (n) A dispensing organization agent who holds a valid
10 dispensing organization agent identification card issued under
11 the Compassionate Use of Medical Cannabis Pilot Program Act and
12 is an officer, director, manager, or employee of the dispensing
13 organization licensed under this Section may engage in all
14 activities authorized by this Article to be performed by a
15 dispensing organization agent.

16 (o) All fees collected pursuant to this Section shall be
17 deposited into the Cannabis Regulation Fund, unless otherwise
18 specified.

19 Section 15-20. Early Approval Adult Use Dispensing
20 Organization License; secondary site.

21 (a) Any medical cannabis dispensing organization holding a
22 valid licenses and registered under the Compassionate Use of
23 Medical Cannabis Pilot Program Act on the effective date of
24 this Act may, within 60 days of the effective date of this Act,
25 apply to the Department of Financial and Professional

1 Regulation for an Early Approval Adult Use Dispensing
2 Organization License to operate a dispensing organization to
3 serve purchasers at a secondary site not within 1,500 feet of
4 another medical cannabis dispensing organization or adult use
5 dispensing organization and within any BLS Region that shares
6 territory with the dispensing organization district to which
7 the medical cannabis dispensing organization is assigned under
8 the administrative rules for dispensing organizations under
9 the Compassionate Use of Medical Cannabis Pilot Program Act.

10 (b) A medical cannabis dispensing organization seeking
11 issuance of an Early Approval Adult Use Dispensing Organization
12 License to serve purchasers at a secondary site as proscribed
13 in subsection (a) of this Section shall submit an application
14 on forms provided by the Department of Financial and
15 Professional Regulation. The application must meet the
16 following qualifications:

17 (1) include a payment of a nonrefundable permit fee of
18 \$30,000;

19 (2) proof of registration as a medical cannabis
20 dispensing organization that is in good standing;

21 (3) submission of the application by the same person or
22 entity that holds the medical cannabis dispensing
23 organization registration;

24 (4) certification that the applicant will comply with
25 the requirements contained in the Compassionate Use of
26 Pilot Program Act except as provided in this Act;

1 (5) include the legal name of the medical cannabis
2 dispensing organization;

3 (6) include the physical address of the medical
4 cannabis dispensing organization and the proposed physical
5 address of the secondary site;

6 (7) a copy of the current local zoning ordinance
7 Sections relevant to dispensary operations. Documentation
8 of the approval, the conditional approval or the status of
9 a request for zoning approval from the local zoning office
10 that the proposed dispensary location is in compliance with
11 the local zoning rules;

12 (8) a plot plan of the dispensary drawn to scale. The
13 applicant shall submit general specifications of the
14 building exterior and interior layout;

15 (9) a statement that the dispensing organization
16 agrees to respond to the Division's supplemental requests
17 for information;

18 (10) for the building or land to be used as the
19 proposed dispensary:

20 (A) if the property is not owned by the applicant,
21 a written statement from the property owner and
22 landlord, if any, certifying consent that the
23 applicant may operate a dispensary on the premises; or

24 (B) if the property is owned by the applicant,
25 confirmation of ownership;

26 (11) a copy of the proposed operating bylaws;

1 (12) a copy of the proposed business plan that complies
2 with the requirements in this Act, including, at a minimum,
3 the following:

4 (A) a description of services to be offered; and

5 (B) a description of the process of dispensing
6 cannabis;

7 (13) a copy of the proposed security plan that complies
8 with the requirements in this Article, including:

9 (A) a description of the delivery process by which
10 cannabis will be received from a transporting
11 organization, including receipt of manifests and
12 protocols that will be used to avoid diversion, theft
13 or loss at the dispensary acceptance point; and

14 (B) the process or controls that will be
15 implemented to monitor the dispensary, secure the
16 premises, agents, patients and currency, and prevent
17 the diversion, theft or loss of cannabis; and

18 (C) the process to ensure that access to the
19 restricted access areas is restricted to, registered
20 agents, service professionals, transporting
21 organization agents, Department inspectors, and
22 security personnel;

23 (14) a proposed inventory control plan that complies
24 with this Section;

25 (15) the name, address, social security number, and
26 date of birth of each principal officer and board member of

1 the dispensing organization; each of those individuals
2 shall be at least 21 years of age;

3 (16) a nonrefundable Cannabis Business Development Fee
4 equal to \$200,000, to be deposited into the Cannabis
5 Business Development Fund; and

6 (17) commit to completing one of the following Social
7 Equity Inclusion Plans in subsection (c).

8 (c) To receive an Early Approval Adult Use Dispensing
9 Organization License, a dispensing organization shall (among
10 other things) indicate the Social Equity Inclusion Plan that
11 the applicant plans to achieve before the expiration of the
12 Early Approval Adult Use Dispensing Organization License from
13 the list below:

14 (1) make a contribution of 3% of total sales from June
15 1, 2018, to June 1, 2019, or \$100,000, whichever is less,
16 to the Cannabis Business Development Fund. This is in
17 addition to the fee required by paragraph (16) of
18 subsection (b) of this Section;

19 (2) make a grant of 3% of total sales from June 1,
20 2018, to June 1, 2019, or \$100,000, whichever is less, to a
21 cannabis industry training or education program at an
22 Illinois community college as defined in the Public
23 Community College Act;

24 (3) make a donation of \$100,000 or more to a program
25 that provides job training services to persons recently
26 incarcerated or that operate in a Disproportionately

1 Impacted Area; or

2 (4) participate as a host in a cannabis business
3 incubator program approved by the Department of Commerce
4 and Economic Development, and in which an Early Approval
5 Adult Use Dispensing Organization License holder agrees to
6 provide a loan of at least \$100,000 and mentorship to
7 incubate a licensee that qualifies as a Social Equity
8 Applicant for at least a year. In this paragraph (4),
9 "incubate" means providing direct financial assistance and
10 training necessary to engage in licensed cannabis industry
11 activity similar to that of the host licensee. The Early
12 Approval Adult Use Dispensing Organization License holder
13 or the same entity holding any other licenses issued under
14 this Act shall not take an ownership stake of greater than
15 10% in any business receiving incubation services to comply
16 with this subsection. If an Early Approval Adult Use
17 Dispensing Organization License holder fails to find a
18 business to incubate to comply with this subsection before
19 its Early Approval Adult Use Dispensing Organization
20 License expires, it may opt to meet the requirement of this
21 subsection by completing another item from this subsection
22 before the expiration of its Early Approval Adult Use
23 Dispensing Organization License to avoid a penalty.

24 (d) An Early Approval Adult Use Dispensing Organization
25 License is valid until March 1, 2021. A dispensing organization
26 that obtains an Early Approval Adult Use Dispensing

1 Organization License shall receive written or electronic
2 notice 90 days before the expiration of the license that the
3 license will expire, and inform the license holder that it may
4 apply for an Adult Use Dispensing Organization License. The
5 Department of Financial and Professional Regulation shall
6 grant an Adult Use Dispensing Organization License within 45
7 days of submission of an application if:

8 (1) the dispensing organization submits an application
9 and the required nonrefundable fee of \$30,000 for an Adult
10 Use Dispensing Organization License;

11 (2) the Department of Financial and Professional
12 Regulation has not suspended the license of the dispensing
13 organization or suspended or revoked the license for
14 violating this Act or rules adopted under this Act; and

15 (3) the dispensing organization has completed a Social
16 Equity Inclusion Plan as required by paragraph (17) of
17 subsection (b) of this Section.

18 (e) The license fee required by paragraph (1) of subsection
19 (b) of this Section is in addition to any license fee required
20 for the renewal of a registered medical cannabis dispensing
21 organization license.

22 (f) Applicants must submit all required information,
23 including the requirements in subsection (b) of this Section to
24 the Department of Financial and Professional Regulation.
25 Failure by an applicant to submit all required information may
26 result in the application being disqualified.

1 (g) If the Department of Financial and Professional
2 Regulation receives an application that fails to provide the
3 required elements contained in subsection (b), the Department
4 shall issue a deficiency notice to the applicant. The applicant
5 shall have 10 calendar days from the date of the deficiency
6 notice to submit complete information. Applications that are
7 still incomplete after this opportunity to cure may be
8 disqualified.

9 (h) Once all required information and documents have been
10 submitted, the Division will review the application. The
11 Division may request revisions and retains final approval over
12 dispensary features. Once the application is complete and meets
13 the Department's approval, the Department shall conditionally
14 approve the license. Final approval is contingent on the
15 build-out and Department inspection.

16 (i) Upon completion of the dispensary, the dispensing
17 organization shall request an inspection. The Department will
18 inspect the dispensary to confirm compliance with the
19 application, the Act and this Article.

20 (j) A license shall be issued only after the completion of
21 a successful inspection.

22 (k) If an applicant passes the inspection under this
23 Section, the Department of Financial and Professional
24 Regulation shall issue the Early Approval Adult Use Dispensing
25 Organization License within one business day unless:

26 (1) The licensee; principal officer, board member, or

1 person having a financial or voting interest of 5% or
2 greater in the licensee; or agent is delinquent in filing
3 any required tax returns or paying any amounts owed to the
4 State of Illinois; or

5 (2) The Secretary of Financial and Professional
6 Regulation determines there is reason, based on documented
7 compliance violations, the licensee is not entitled to an
8 Early Approval Adult Use Dispensing Organization License
9 at its secondary site.

10 (l) Once the Department has issued a registration, the
11 dispensary organization shall notify the Department of the
12 proposed opening date.

13 (m) A registered medical cannabis dispensing organization
14 that obtains an Early Approval Adult Use Dispensing
15 Organization License may begin selling cannabis, cannabis
16 seeds, cannabis-infused products, paraphernalia, and related
17 items to purchasers under the rules of this Act no sooner than
18 January 1, 2020.

19 (n) A dispensing organization holding a medical cannabis
20 dispensing organization license issued under the Compassionate
21 Use of Medical Cannabis Pilot Program Act must maintain an
22 adequate supply of cannabis and cannabis-infused products for
23 purchase by qualifying patients and caregivers. For the
24 purposes of this subsection, adequate supply means a monthly
25 inventory level that is comparable in type and quantity to
26 those medical cannabis products provided to patients and

1 caregivers on an average monthly basis for the 6 months before
2 the effective date of this Act.

3 (o) If there is a shortage of cannabis or cannabis-infused
4 products, a dispensing organization holding both a dispensing
5 organization license under the Compassionate Use of Medical
6 Cannabis Pilot Program Act and this Act shall prioritize
7 serving qualifying patients and caregivers before serving
8 purchasers.

9 (p) An Early Approval Adult Use Dispensing Organization
10 License at a secondary site is valid until March 31, 2021. A
11 dispensing organization that obtains an Early Approval Adult
12 Use Dispensing Organization License shall receive written or
13 electronic notice 90 days before the expiration of the license
14 that the license will expire, and inform the license holder
15 that it may apply for an Adult Use Dispensing Organization
16 License. The Department of Financial and Professional
17 Regulation shall grant an Adult Use Dispensing Organization
18 License within 45 days of submission of an application being
19 deemed complete if:

20 (1) the dispensing organization submits an application
21 and the required nonrefundable renewal fee of \$30,000, to
22 be deposited into the Cannabis Regulation Fund; and

23 (2) the Department of Financial and Professional
24 Regulation has not suspended or revoked the Early Approval
25 Adult Use Dispensing Organization License or a medical
26 cannabis dispensing organization license on the same

1 premises for violating this Act or rules adopted under this
2 Act or the Compassionate Use of Medical Cannabis Pilot
3 Program Act or rules adopted under that Act.

4 (q) The Early Approval Adult Use Dispensing Organization
5 License renewed pursuant to subsection (k) of this Section
6 shall expire March 31, 2022. The Early Approval Adult Use
7 Dispensing Organization Licensee shall receive written or
8 electronic notice 90 days before the expiration of the license
9 that the license will expire, and inform the license holder
10 that it may apply for an Adult Use Dispensing Organization
11 License. The Department of Financial and Professional
12 Regulation shall grant an Adult Use Dispensing Organization
13 License within 45 days of an application being deemed complete
14 if:

15 (1) the dispensing organization submits a
16 nonrefundable registration fee of \$60,000; and

17 (2) the Department of Financial and Professional
18 Regulation has not suspended or revoked the Early Approval
19 Adult Use Dispensing Organization License or a medical
20 cannabis dispensing organization license on the same
21 premises the for violating this Act or rules adopted under
22 this Act or the Compassionate Use of Medical Cannabis Pilot
23 Program Act or rules adopted under that Act.

24 (r) If a dispensary fails to submit an application for an
25 Adult Use Dispensing Organization License before the
26 expiration of the Early Approval Adult Use Dispensing

1 Organization License, the dispensing organization shall cease
2 serving purchasers operations until it receives an Adult Use
3 Dispensing Organization License.

4 (s) A dispensing organization agent who holds a valid
5 dispensing organization agent identification card issued under
6 the Compassionate Use of Medical Cannabis Pilot Program Act and
7 is an officer, director, manager, or employee of the dispensing
8 organization licensed under this Section may engage in all
9 activities authorized by this Article to be performed by a
10 dispensing organization agent.

11 (t) If the Department of Financial and Professional
12 Regulation suspends or revokes the Early Approval Adult Use
13 Dispensing Organization License of a dispensing organization
14 under Act that also holds a medical cannabis dispensing
15 organization license issued under the Compassionate Use of
16 Medical Cannabis Pilot Program Act, the Department shall
17 suspend or revoke the medical cannabis dispensing organization
18 license concurrently with the Early Approval Adult Use
19 Dispensing Organization License.

20 (u) All fees or fines collected from an Early Approval
21 Adult Use Dispensary Organization License holder as a result of
22 a disciplinary action in the enforcement of this Act shall be
23 deposited into the Cannabis Regulation Fund and be appropriated
24 to the Department of Financial and Professional Regulation for
25 the ordinary and contingent expenses of the Department in the
26 administration and enforcement of this Section.

1 Section 15-25. Awarding of Conditional Adult Use
2 Dispensing Organization Licenses.

3 (a) The Department of Financial and Professional
4 Regulation shall issue up to 75 Conditional Adult Use
5 Dispensing Organization Licenses before May 1, 2020.

6 (b) The Department of Financial and Professional
7 Regulation shall make the application for a Conditional Adult
8 Use Dispensing Organization License available no later than
9 October 1, 2019 and shall receive them back no later than
10 January 1, 2020.

11 (c) To ensure the geographic dispersion of Conditional
12 Adult Use Dispensing Organization License holders, the
13 following number of licenses shall be awarded in each BLS
14 Region as determined by each region's percentage of the State's
15 population:

- 16 (1) Bloomington: 1
- 17 (2) Cape Girardeau: 1
- 18 (3) Carbondale-Marion: 1
- 19 (4) Champaign-Urbana: 1
- 20 (5) Chicago-Naperville-Elgin: 47
- 21 (6) Danville: 1
- 22 (7) Davenport-Moline-Rock Island: 1
- 23 (8) Decatur: 1
- 24 (9) Kankakee: 1
- 25 (10) Peoria: 3

- (11) Rockford: 2
- (12) St. Louis: 4
- (13) Springfield: 1
- (14) Northwest Illi
- (15) West Central I
- (16) East Central I
- (17) South Illinois

(d) An applicant seeking issuance of a Conditional Adult Use Dispensing Organization License shall submit an application on forms provided by the Department of Financial and Professional Regulation. An applicant must meet the following requirements:

(1) Payment of a nonrefundable application fee of \$5,000 for each license for which the applicant is applying, which shall be deposited into the Cannabis Regulation Fund;

(2) Certification that the applicant will comply with the requirements contained in this Act;

(3) The legal name of the proposed dispensing organization;

(4) A statement that the dispensing organization agrees to respond to the Department's supplemental requests for information;

(5) From each principal officer, a statement indicating whether that person:

(A) has previously held or currently holds an

1 ownership interest in a cannabis business
2 establishment in Illinois; or

3 (B) has held an ownership interest in a dispensing
4 organization or its equivalent in another state or
5 territory of the United States that had the dispensary
6 registration or license suspended, revoked, placed on
7 probationary status, or subjected to other
8 disciplinary action;

9 (6) Disclosure of whether any principal officer has
10 ever filed for bankruptcy or defaulted on alimony or child
11 support obligation;

12 (7) A resume for each principal officer, including
13 whether that person has an academic degree, certification,
14 or relevant experience with a cannabis business or in a
15 related industry;

16 (8) A description of the training and education that
17 will be provided to dispensary agents;

18 (9) A copy of the proposed operating bylaws;

19 (10) A copy of the proposed business plan that complies
20 with the requirements in this Act, including, at a minimum,
21 the following:

22 (A) A description of services to be offered; and

23 (B) A description of the process of dispensing
24 cannabis;

25 (11) A copy of the proposed security plan that complies
26 with the requirements in this Article, including:

(A) The process or controls that will be implemented to monitor the dispensary, secure the premises, agents, patients, and currency, and prevent the diversion, theft, or loss of cannabis; and

(B) The process to ensure that access to the restricted access areas is restricted to, registered agents, service professionals, transporting organization agents, Department inspectors, and security personnel;

(12) A proposed inventory control plan that complies with this Section;

(13) A proposed floor plan, square footage estimate, and a description of proposed security devices, including without limitation cameras, motion detectors, servers, video storage capabilities, and alarm service providers;

(14) The name, address, social security number, and date of birth of each principal officer and board member of the dispensing organization; each of those individuals shall be at least 21 years of age;

(15) Evidence of the applicant's status as a Social Equity Applicant, if applicable;

(16) The address, telephone number and e-mail address of the applicant's principal place of business, if applicable. A post office box is not permitted;

(17) Information, in writing, regarding any instances in which a business or not-for-profit that any of the

1 prospective board members managed or served on the board
2 was convicted, fined, or censured for any offense, or had a
3 registration suspended or revoked in any administrative or
4 judicial proceeding;

5 (18) A plan for community engagement;

6 (19) Procedures to ensure accurate recordkeeping and
7 security measures that are in accordance with this Article
8 and Department of Financial and Professional Regulation
9 rules;

10 (20) The estimated volume of cannabis it plans to store
11 at the dispensary;

12 (21) A description of the features that will provide
13 accessibility to consumers as required by the Americans
14 with Disabilities Act;

15 (22) A detailed description of air treatment systems
16 that will be installed to reduce odors;

17 (23) A reasonable assurance that the issuance of a
18 license will not have a detrimental impact on the community
19 in which the applicant wishes to locate;

20 (24) A proposed financial plan that demonstrates how
21 the applicant:

22 (A) has access to \$100,000 in liquid assets;

23 (B) has a loan, line of credit, or other form of
24 financing in an amount of \$100,000 or greater that is
25 guaranteed or that is guaranteed contingent upon the
26 award of the license for which the application is being

1 submitted; or

2 (C) if the applicant qualifies as a Social Equity
3 Applicant, has applied to the Department of Commerce
4 and Economic Opportunity for a loan or grant issued
5 from the Cannabis Business Development Fund;

6 (25) The dated signature of each principal officer;

7 (26) A description of the enclosed, locked facility
8 where cannabis will be stored by the dispensing
9 organization;

10 (27) Signed statements from each dispensing
11 organization agent stating that he or she will not divert
12 cannabis;

13 (28) How many licenses it is applying for in each BLS
14 Region;

15 (29) A diversity plan which includes a narrative that
16 establishes a goal of diversity in ownership, management,
17 employment, and contracting to ensure that diverse
18 participants and groups are afforded equality of
19 opportunity; and

20 (30) Other information deemed necessary by the
21 Illinois Cannabis Regulation Oversight Officer to conduct
22 the disparity and availability study referenced in
23 subsection (e) of Section 5-45.

24 (e) An applicant who receives a Conditional Adult Use
25 Dispensing Organization License under this Section has 180 days
26 from the date of award to identify a physical location for the

1 dispensing organization retail storefront. Before receiving an
2 authorization to build out the dispensing organization from the
3 Department of Financial and Professional Regulation, the
4 Department of Financial and Professional Regulation shall
5 inspect the physical space selected by a conditional licensee.
6 The Department of Financial and Professional Regulation shall
7 verify the site is suitable for public access, the layout
8 promotes the safe dispensing of cannabis, the location is
9 sufficient in size, power allocation, lighting, parking,
10 handicapped accessible parking spaces, accessible entry and
11 exits as required by the Americans with Disabilities Act,
12 product handling, and storage. The applicant shall also provide
13 a statement of reasonable assurance that the issuance of a
14 license will not have a detrimental impact on the community.
15 The applicant shall also provide evidence the location is not
16 within 1,500 feet of an existing dispensing organization. If an
17 applicant is unable to find a suitable physical address in the
18 opinion of the Department of Financial and Professional
19 Regulation within 180 days of the issuance of the Conditional
20 Adult Use Dispensing Organization License, the Department of
21 Financial and Professional Regulation may extend the period for
22 finding a physical address another 180 days provided the
23 conditional dispensing organization license holder can
24 demonstrate concrete attempts to secure a location and a
25 hardship. If the Department of Financial and Professional
26 Regulation denies the extension or the conditional dispensing

1 organization license holder is unable to find a location or
2 become operational within 360 days of being awarded a
3 conditional license, the Department of Financial and
4 Professional Regulation shall rescind the conditional license
5 and award it to the next highest scoring applicant in the BLS
6 Region for which the license was assigned, provided the
7 applicant receiving the license: (i) confirms a continued
8 interest in operating a dispensing organizations; (ii) can
9 provide evidence that the applicant continues to meet the
10 financial requirements provided in subsection (c) of this
11 Section; and (iii) has not otherwise become ineligible to be
12 awarded a dispensing organization license. If the new awardee
13 is unable to accept the Conditional Adult Use Dispensing
14 Organization License, the Department of Financial and
15 Professional Regulation shall award the Conditional Adult Use
16 Dispensing Organization License to the next highest scoring
17 applicant in the same manner. The new awardee shall be subject
18 to the same required deadlines as provided in this subsection.

19 (f) A dispensing organization that is awarded a Conditional
20 Adult Use Dispensing Organization License pursuant to the
21 criteria in Section 15-30 shall not purchase, possess, sell, or
22 dispense cannabis or cannabis-infused products until the
23 person has received an Adult Use Dispensing Organization
24 License Issued by the Department of Financial and Professional
25 Regulation. The Department of Financial and Professional
26 Regulation shall not issue an Adult Use Dispensing Organization

1 License until:

2 (1) the Department of Financial and Professional
3 Regulation has inspected the dispensary site and proposed
4 operations and verified that they are in compliance with
5 this Act and local zoning laws; and

6 (2) the Conditional Adult Use Dispensing Organization
7 License holder has paid a registration fee of \$60,000, or a
8 pro-rated amount accounting for the difference of time
9 between when the Adult Use Dispensing Organization License
10 is issued and March 31 of the next even-numbered year.

11 (g) The Department of Financial and Professional
12 Regulation shall conduct a background check of the prospective
13 organization agents in order to carry out this Article. The
14 Department of State Police shall charge the applicant a fee for
15 conducting the criminal history record check, which shall be
16 deposited into the State Police Services Fund and shall not
17 exceed the actual cost of the record check. Each person
18 applying as a dispensing organization agent shall submit a full
19 set of fingerprints to the Department of State Police for the
20 purpose of obtaining a State and federal criminal records
21 check. These fingerprints shall be checked against the
22 fingerprint records now and hereafter, to the extent allowed by
23 law, filed in the Department of State Police and Federal Bureau
24 of Identification criminal history records databases. The
25 Department of State Police shall furnish, following positive
26 identification, all Illinois conviction information to the

1 Department of Financial and Professional Regulation.

2 Section 15-30. Selection criteria for conditional licenses
3 awarded under Section 15-25.

4 (a) Applicants must submit all required information,
5 including that required in Section 15-25 to the Department of
6 Financial and Professional Regulation. Failure by an applicant
7 to submit all required information may result in the
8 application being disqualified.

9 (b) If the Department of Financial and Professional
10 Regulation receives an application that fails to provide the
11 required elements contained in Section 15-30, the Department of
12 Financial and Professional Regulation shall issue a deficiency
13 notice to the applicant. The applicant shall have 10 calendar
14 days from the date of the deficiency notice to resubmit the
15 incomplete information. Applications that are still incomplete
16 after this opportunity to cure, will not be scored and will be
17 disqualified.

18 (c) Applications will not be scored if the applicant fails
19 to provide, or is unable to cure a deficiency in the time
20 provided in subsection (b), evidence that the applicant:

21 (1) has access to \$100,000 in liquid assets;
22 (2) has a loan, line of credit, or other form of
23 financing in an amount of \$100,000 or greater that is
24 guaranteed or that is guaranteed contingent upon the award
25 of the license for which the application is being

1 submitted; or

2 (3) if the applicant qualifies as a Social Equity
3 Applicant, has applied to the Department of Commerce and
4 Economic Opportunity for a loan or grant issued from the
5 Cannabis Business Development Fund.

6 (d) The Department will award up to 200 points to complete
7 applications based on the sufficiency of the applicant's
8 responses to required information. Applicants will be awarded
9 points based on a determination that the application
10 satisfactorily includes the following elements:

11 (1) Suitability of the Proposed Dispensary Floor Plan
12 (10 points)

13 The proposed floor plan is suitable for public
14 access, the layout promotes safe dispensing of
15 cannabis, is compliant with the Americans with
16 Disabilities Act and the Illinois Environmental
17 Barriers Act, and facilitates safe product handling
18 and storage.

19 (2) Suitability of Employee Training Plan (10 points)

20 The plan includes an employee training plan that
21 demonstrates that employees will understand the rules
22 and laws to be followed by dispensary employees, have
23 knowledge of any security measures and operating
24 procedures of the dispensary, and are able to advise
25 purchasers on how to safely consume cannabis and use
26 individual products offered by the dispensary.

(3) Security and Recordkeeping (60 points)

(A) The security plan accounts for the prevention of the theft or diversion of cannabis. The security plan demonstrates safety procedures for dispensary agents and consumers, and safe delivery and storage of cannabis and currency. It demonstrates compliance with all security requirements in this Act and rules.

(B) A plan for recordkeeping, tracking and monitoring inventory, quality control and other policies and procedures that will promote standard recordkeeping and discourage unlawful activity. This plan includes the applicant's strategy to communicate with the Department of Financial and Professional Regulation and the Department of State Police on the destruction and disposal of cannabis. The plan must also demonstrate compliance with this Act and rules.

(4) Applicant's Business Plan, Financials, and Operating Plan (65 points)

(A) The business plan shall describe, at a minimum, how the dispensing organization will be managed on a long-term basis. This shall include a description of the dispensing organization's point-of-sale system, purchases and denials of sale, confidentiality, and products and services to be offered. It will demonstrate compliance with this Act and rules.

(B) The operating plan shall include, at a minimum,

1 best practices for day-to-day dispensary operation and
2 staffing.

3 (5) Knowledge and Experience (30 points).

4 (A) The applicant's principal officers must
5 demonstrate experience and qualifications in business
6 management or experience with the cannabis industry.
7 This includes ensuring optimal safety and accuracy in
8 the dispensing and sale of cannabis.

9 (B) The applicant's principal officers must
10 demonstrate knowledge of various cannabis product
11 strains or varieties and describe the types and
12 quantities of products planned to be sold. This
13 includes confirmation of whether the dispensary plans
14 to sell cannabis paraphernalia or edibles.

15 (C) Knowledge and experience may be demonstrated
16 through experience in other comparable industries that
17 reflect on applicant's ability to operate a cannabis
18 business establishment.

19 (6) Status as a Social Equity Applicant (25 points).

20 The applicant meets the qualifications for a
21 Social Equity Applicant as set forth in this Act.

22 (d) The Department may also award up to 12 bonus points for
23 preferred, but not required, initiatives based on the
24 applicant's ability to meet requirements in the following
25 categories. Bonus points will only be awarded if the Department
26 receives a greater number of applications that meet the minimum

1 number of points required in subsection (c) than are available
2 for a particular region.

3 (1) Labor and employment practices (2): The applicant
4 may describe plans to provide a safe, healthy and
5 economically beneficial working environment for its
6 agents, including, but not limited to, codes of conduct,
7 healthcare benefits, educational benefits, retirement
8 benefits, living wage standards, and entering a labor peace
9 agreement with employees.

10 (2) Labor peace agreement (2): The applicant may
11 provide information on the existence of a labor peace
12 agreement.

13 (3) Local community/neighborhood report (2): The
14 applicant may provide comments, concerns or support
15 received regarding the potential impact of the proposed
16 location on the local community and neighborhood in which
17 the applicant plans to locate.

18 (4) Environmental Plan (2): The applicant may
19 demonstrate an environmental plan of action to minimize the
20 carbon footprint, environmental impact, and resource needs
21 for the dispensary, which may include, without limitation,
22 recycling cannabis product packaging.

23 (5) Illinois owner (2): The applicant is 51% or more
24 owned and controlled by an Illinois resident, who can prove
25 residency in each of the past 5 years with tax records.

26 (6) A plan to engage with the community (2):

1 The applicant may demonstrate a desire to help its
2 community by, among other actions,

3 (A) Establishment of an incubator program
4 designed to increase participation in the
5 cannabis industry by persons who would qualify
6 as Social Equity Applicants;

7 (B) providing financial assistance to
8 substance abuse treatment centers;

9 (C) educating children and teens about the
10 potential harms of cannabis use; or

11 (D) other measures demonstrating a
12 commitment to the applicant's community.

13 (e) The Department may verify information contained in each
14 application and accompanying documentation to assess the
15 applicant's veracity and fitness to operate a dispensary.

16 (f) The Department may, in its discretion, refuse to issue
17 an authorization to any applicant:

18 (1) Who is unqualified to perform the duties required
19 of the applicant;

20 (2) Who fails to disclose or states falsely any
21 information called for in the application;

22 (3) Who has been found guilty of a violation of the
23 Act, or whose medical cannabis dispensing organization,
24 cannabis dispensing organization, or Adult Use Cultivation
25 Center License was suspended, restricted, revoked or
26 denied for just cause in any other state; or

1 (4) Who has engaged in a pattern or practice of unfair
2 or illegal practices, methods, or activities in the conduct
3 of owning a cannabis business establishment or other
4 business.

5 (g) The Department of Professional and Financial
6 Regulation shall deny the license if the licensee, principal
7 officer, board member, or person having a financial or voting
8 interest of 5% or greater in the licensee is delinquent in
9 filing any required tax returns or paying any amounts owed to
10 the state of Illinois.

11 (h) The Department of Financial and Professional
12 Regulation shall verify an applicant's compliance with the
13 requirements of this Article and rules, and before the issuance
14 of a dispensing organization license.

15 (i) Should the applicant be awarded a license, the
16 information and plans provided in the application, including
17 any plans submitted for bonus points, shall become a condition
18 of the authorization. Dispensing organizations have a duty to
19 disclose any material changes to the application. The
20 Department of Financial and Professional Regulation shall
21 review all material changes disclosed by the dispensing
22 organization, and may re-evaluate its prior decision regarding
23 the awarding of a license, including, but not limited to,
24 suspending or revoking a license. Failure to comply with the
25 conditions or requirements in the application may subject the
26 dispensing organization to discipline, up to and including

1 suspension or revocation of its authorization or license by the
2 Department of Financial and Professional Regulation.

3 (j) If an applicant has not begun operating as a dispensing
4 organization within one year of the issuance of the conditional
5 dispensing organization license, the Department of Financial
6 and Professional Regulation may revoke the conditional
7 dispensing organization license and award it to the next
8 highest scoring applicant in the BLS region if a suitable
9 applicant indicates a continued interest in the license or
10 begin a new selection process to award a conditional dispensing
11 organization license.

12 (k) The Department shall deny an application if granting
13 that application would result in a single person or entity
14 having a direct or indirect financial interest in more than 10
15 Early Approval Adult Use Dispensing Organization Licenses,
16 Conditional Adult Use Dispensing Organization Licenses, or
17 Adult Use Dispensing Organization Licenses. Any entity that is
18 awarded a license that results in a single person or entity
19 having a direct or indirect financial interest in more than 10
20 licenses shall forfeit the most recently issued license and
21 suffer a penalty to be determined by the Department, unless the
22 entity declines the license at the time it is awarded.

23 Section 15-35. Adult Use Dispensing Organization License.

24 (a) By December 21, 2021, the Department of Financial and
25 Professional Regulation may issue up to 110 additional Adult

1 Use Dispensing Organization Licenses. Prior to issuing such
2 licenses, the Department may adopt rules through emergency
3 rulemaking in accordance with subsection (gg) of Section 5-45
4 of the Illinois Administrative Procedure Act. The General
5 Assembly finds that the adoption of rules to regulate cannabis
6 use is deemed an emergency and necessary for the public
7 interest, safety and welfare. Such rules may:

8 (1) Modify or change the BLS Regions as they apply to
9 this Article or modify or raise the number of Adult Use
10 Dispensing Organization Licenses assigned to each region
11 based on the following factors:

12 (A) Purchaser wait times;

13 (B) Travel time to the nearest dispensary for
14 potential purchasers;

15 (C) Percentage of cannabis sales occurring in
16 Illinois not in the regulated market using data from
17 the Substance Abuse and Mental Health Services
18 Administration, National Survey on Drug Use and
19 Health, Illinois Behavioral Risk Factor Surveillance
20 System, and tourism data from the Illinois Office of
21 Tourism to ascertain total cannabis consumption in
22 Illinois compared to the amount of sales in licensed
23 dispensing organizations;

24 (D) Whether there is an adequate supply of cannabis
25 and cannabis-infused products to serve registered
26 medical cannabis patients;

(E) Population increases or shifts;

(F) Density of dispensing organizations in a region;

(G) The Department's capacity to appropriately regulate additional licenses;

(H) The findings and recommendations from the disparity and availability study commissioned by the Illinois Cannabis Regulation Oversight Officer in subsection (e) of Section 5-45 to reduce or eliminate any identified barriers to entry in the cannabis industry; and

(I) Any other criteria the Department of Financial and Professional Regulation deems relevant.

(2) Modify or change the licensing application process to reduce or eliminate the barriers identified in the disparity and availability study commission by the Illinois Cannabis Regulation Oversight Officer and make modifications to remedy evidence of discrimination.

(b) After January 1, 2022, the Department of Financial and Professional Regulation may by modify or raise the number of Adult Use Dispensing Organization Licenses assigned to each region, and modify or change the licensing application process to reduce or eliminate barriers based on the criteria in subsection (a). At no time shall the Department of Financial and Professional Regulation issue more than 500 Adult Use Dispensary Organization Licenses.

1 (c) No person or entity shall hold any legal, equitable,
2 ownership, or beneficial interest, directly or indirectly, of
3 more than 10 dispensing organizations licensed under this
4 Article. Further, no person or entity that is:

5 (1) employed by, an agent of, has a contract to receive
6 payment in any form from a dispensing organization,
7 registered medical cannabis dispensing organization;

8 (2) a principal officer of a dispensing organization or
9 registered medical cannabis dispensing organization; or

10 (3) an entity controlled by or affiliated with a
11 principal officer of a dispensing organization or
12 registered medical cannabis dispensing organization;

13 shall hold any legal, equitable, ownership, or beneficial
14 interest, directly or indirectly, in a dispensing organization
15 that would result in such person or entity owning, acting as an
16 agent of, or having a contract to receive payment from, more
17 than 10 dispensing organizations.

18 (d) The Department shall deny an application if granting
19 that application would result in a person or entity obtaining
20 direct or indirect financial interest in more than 10 Early
21 Approval Adult Use Dispensing Organization Licenses,
22 Conditional Adult Use Dispensing Organization Licenses, or
23 Adult Use Dispensing Organization Licenses. If a person or
24 entity does obtain such an interest, he, she, or it shall
25 choose which licenses from which to withdraw and such licenses
26 shall become available to the next qualified applicant.

1 (e) Applicants for a dispensing organization license shall
2 meet the minimum qualifications as established by this Section
3 and be subject to the selection criteria as set forth in this
4 Article and rules before the Department issues a dispensing
5 organization license.

6 (f) A dispensing organization that is awarded a Conditional
7 Adult Use Dispensing Organization License pursuant to the
8 criteria established pursuant to rules made under Section 15-35
9 shall not purchase, possess, sell, or dispense cannabis or
10 cannabis-infused products until the person has received an
11 Adult Use Dispensing Organization License issued by the
12 Department of Financial and Professional Regulation. The
13 Department of Financial and Professional Regulation shall not
14 issue an Adult Use Dispensing Organization License until:

15 (1) the Department of Financial and Professional
16 Regulation has inspected the dispensary site and proposed
17 operations and verified that they are in compliance with
18 this Act and local zoning laws; and

19 (2) the Conditional Adult Use Dispensing Organization
20 License holder has paid a registration fee of \$60,000, or a
21 pro-rated amount accounting for the difference of time
22 between when the Adult Use Dispensing Organization License
23 is issued and March 31 of the next even-numbered year.

24

25

1 Section 15-40. Dispensing organization agent
2 identification card; agent training.

3 (a) The Department of Financial and Professional
4 Regulation shall:

5 (1) Verify the information contained in an application
6 or renewal for a dispensing organization agent
7 identification card submitted under this Article, and
8 approve or deny an application or renewal, within 30 days
9 of receiving a completed application or renewal
10 application and all supporting documentation required by
11 rule;

12 (2) Issue a dispensing organization agent
13 identification card to a qualifying agent within 15
14 business days of approving the application or renewal;

15 (3) Enter the registry identification number of the
16 dispensing organization where the agent works;

17 (4) Allow for an electronic application process and
18 provide a confirmation by electronic or other methods that
19 an application has been submitted; and

20 (5) Collect a \$100 nonrefundable fee from the applicant
21 to be deposited in the Cannabis Regulation Fund.

22 (b) A dispensing agent must keep his or her identification
23 card visible at all times when on the property of the
24 dispensing organization.

25 (c) The dispensing organization agent identification cards
26 shall contain the following:

(1) The name of the cardholder;

(2) The date of issuance and expiration date of the dispensing organization agent identification cards;

(3) A random 10 digit alphanumeric identification number containing at least 4 numbers and at least 4 letters that is unique to the cardholder; and

(4) A photograph of the cardholder.

(d) The dispensing organization agent identification cards shall be immediately returned to the dispensing organization upon termination of employment.

(e) The Department shall not issue an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

(f) Any card lost by a dispensing organization agent shall be reported to the Department of State Police and the Department of Financial and Professional Regulation immediately upon discovery of the loss.

(g) An applicant shall be denied a dispensing organization agent identification card if he or she has been convicted of an excluded offense or fails to complete the training provided for in this Section.

(h) A dispensing organization agent shall only be required to hold one card for the same employer regardless of what type of dispensing organization license the employer holds.

(i) Cannabis retail sales training requirements.

(1) Within 90 days of September 1, 2019, or 90 days of

1 employment, whichever is later, all owners, managers,
2 employees, and agents involved in the handling or sale of
3 cannabis, or cannabis-infused product employed by a
4 dispensing organization or medical cannabis dispensing
5 organization as defined in the Section 10 of the
6 Compassionate Use of Medical Cannabis Pilot Program Act
7 shall attend and successfully complete a Responsible
8 Vendor Program.

9 (2) Each owner, manager, employee, and agent of a
10 dispensing organization or medical cannabis dispensing
11 organization shall successfully complete the program
12 annually.

13 (3) Training modules shall include at least 2 hours of
14 instruction time approved by the Department of Financial
15 and Professional Regulation including:

16 (i) Health and safety concerns of cannabis use,
17 including the responsible use of cannabis, its
18 physical effects, onset of physiological effects,
19 recognizing signs of impairment, appropriate responses
20 in the event of overconsumption.

21 (ii) Training on laws and regulations on driving
22 while under the influence.

23 (iii) Sales to minors prohibition. Training shall
24 cover all relevant Illinois laws and rules.

25 (iv) Quantity limitations on sales to consumers.
26 Training shall cover all relevant Illinois laws and

1 rules.

2 (v) Acceptable forms of identification. Training
3 shall include:

4 (I) How to check identification; and

5 (II) Common mistakes made in verification;

6 (vi) Safe storage of cannabis;

7 (vii) Compliance with all inventory tracking
8 system regulations;

9 (viii) Waste handling, management, and disposal;

10 (ix) Health and safety standards;

11 (x) Maintenance of records;

12 (xi) Security and surveillance requirements;

13 (xii) Permitting inspections by State and local
14 licensing and enforcement authorities;

15 (xiii) Privacy issues;

16 (xiv) Packaging and labeling requirement for sales
17 to consumers; and

18 (xv) Other areas as determined by rule.

19 (j) Any modules complying with paragraph (3) of subsection

20 (h) and not approved within 180 days after receipt by the
21 Department of Financial and Professional Regulation of the
22 business application shall automatically be considered
23 approved.

24 (k) Upon the successful completion of the Responsible
25 Vendor Program, the provider shall deliver proof of completion
26 either through mail or electronic communication to the

1 dispensing organization, which shall retain a copy of the
2 certificate.

3 (l) The license of a dispensing organization or medical
4 cannabis dispensing organization whose owners, managers,
5 employees, or agents fail to comply with this Section may be
6 suspended or revoked under Section 15-145.

7 (m) The regulation of dispensing organization and medical
8 cannabis dispensing employer and employee training is an
9 exclusive function of the State, and regulation by a unit of
10 local government, including a home rule unit, is prohibited.
11 This subsection (m) is a denial and limitation of home rule
12 powers and functions under subsection (h) of Section 6 of
13 Article VII of the Illinois Constitution.

14 Section 15-45. Renewal.

15 (a) Early Approval Adult Use Dispensing Organization
16 Licenses, shall expire on March 31 of even-numbered years.

17 (b) All other licenses and identification cards shall
18 expire one year from the date they are issued.

19 (c) Licensees and dispensing agents shall submit a renewal
20 application as provided by the Department of Financial and
21 Professional Regulation and pay the required renewal fee. No
22 license or agent identification card shall be renewed if it is
23 currently under revocation or suspension for violation of this
24 Article or the rules adopted under this Article or the
25 licensee, principal officer, board member, person having a

1 financial or voting interest of 5% or greater in the licensee,
2 or agent is delinquent in filing any required tax returns or
3 paying any amounts owed to the State of Illinois.

4 (d) Renewal fees are:

5 (1) For a dispensing organization, \$60,000, to be
6 deposited in the Cannabis Regulation Fund.

7 (2) For an agent identification card, \$100, to be
8 deposited in the Cannabis Regulation Fund.

9 (e) If a dispensing organization fails to renew its license
10 before expiration, the dispensing organization shall cease
11 operations until the license is renewed.

12 (f) If a dispensing organization agent fails to renew his
13 or her registration before its expiration, he or she shall case
14 to work or volunteer at a dispensing organization until his or
15 her registration is renewed.

16 (g) Any dispensing organization that continues to operate
17 or dispensing agent that continues to work or volunteer at a
18 dispensing organization that fails to renew its license is
19 subject to penalty as provided in this Article.

20 (h) The Department of Financial and Professional
21 Regulation shall not renew a license or agent identification
22 card if the applicant is delinquent in filing any required tax
23 returns or paying any amounts owed to the State of Illinois.

24 Section 15-50. Disclosure of ownership and control.

25 (a) Each dispensing organization applicant and licensee

1 shall file and maintain a Table of Organization, Ownership and
2 Control with the Department of Financial and Professional
3 Regulation. The Table of Organization, Ownership and Control
4 shall contain the information required by this Section in
5 sufficient detail to identify all owners, directors, and
6 principal officers, and the title of each principal officer or
7 business entity that through direct or indirect means, manages,
8 owns or controls the applicant or licensee.

9 (b) The Table of Organization, Ownership and Control shall
10 identify the following information:

11 (1) The management structure, ownership and control of
12 the applicant or license holder including the name of each
13 principal officer or business entity, the office or
14 position held and the percentage ownership interest, if
15 any. If the business entity has a parent company, the name
16 of each owner, board member, and officer of the parent
17 company and their percentage ownership interest in the
18 parent company and the dispensing organization.

19 (2) If the applicant or licensee is a business entity
20 with publicly traded stock, the identification of
21 ownership shall be provided as required in subsection (c).

22 (c) If a business entity identified in subsection (b) is a
23 publicly traded company, the following information shall be
24 provided in the Table of Organization, Ownership and Control:

25 (1) The name and percentage of ownership interest of
26 each individual or business entity with ownership of more

1 than 5 percent of the voting shares of the entity, to the
2 extent such information is known or contained in 13D or 13G
3 Securities and Exchange Commission filings.

4 (2) To the extent known, the names and percentage of
5 interest of ownership of persons who are relatives of one
6 another and who together exercise control over or own more
7 than 10 percent of the voting shares of the entity.

8 (d) A dispensing organization with a parent company or
9 companies, or partially owned or controlled by another entity
10 must disclose to the Department of Financial and Professional
11 Regulation the relationship and all owners, board members,
12 officers or individuals with control or management of those
13 entities. A dispensing organization shall not shield its
14 ownership or control from the Department.

15 (e) All principal officers must submit a complete online
16 application with the Department within 14 days of the
17 dispensing organization being licensed by the Department or
18 within 14 days of Department notice of approval as a new
19 principal officer.

20 (f) A principal officer may not allow his or her
21 registration to expire.

22 (g) A dispensing organization separating with a principal
23 officer must do so under this Act and this Article. The
24 principal officer must communicate the separation to the
25 Department within 5 business days.

26 (h) A principal officer not in compliance with the

1 requirements of this Act shall be removed from his or her
2 position with the dispensing organization or shall otherwise
3 terminate his or her affiliation. Failure to do so may subject
4 the dispensing organization to discipline, suspension or
5 revocation of its license by the Department.

6 (i) It is the responsibility of the dispensing organization
7 and its principal officers to promptly notify the Department of
8 any change of the principal place of business address, hours of
9 operation, change in ownership or control, or a change of the
10 dispensing organization's primary or secondary contact
11 information. Any changes must be made to the Department in
12 writing.

13 Section 15-55. Financial responsibility. Evidence of
14 financial responsibility is a requirement for the issuance,
15 maintenance or reactivation of a license. Evidence of financial
16 responsibility shall be used to guarantee that the dispensing
17 organization timely and successfully completes dispensary
18 construction, operates in a manner that provides an
19 uninterrupted supply of cannabis, faithfully pays registration
20 renewal fees, keeps accurate books and records, makes regularly
21 required reports, complies with State tax requirements, and
22 conducts the dispensary in conformity with this Act and rules.
23 Evidence of financial responsibility shall be provided by one
24 of the following:

25 (1) Establishing and maintaining an escrow or surety

1 account in a financial institution in the amount of
2 \$50,000, with escrow terms, approved by the Department of
3 Financial and Professional Regulation, that it shall be
4 payable to the Department in the event of circumstances
5 outlined in this Act and rules.

6 (A) A financial institution may not return money in
7 an escrow or surety account to the dispensing
8 organization that established the account or a
9 representative of the organization unless the
10 organization or representative presents a statement
11 issued by the Department indicating that the account
12 may be released.

13 (B) The escrow or surety account shall not be
14 canceled on less than 30 days' notice in writing to the
15 Department, unless otherwise approved by the
16 Department. If an escrow or surety account is canceled
17 and the registrant fails to secure a new account with
18 the required amount on or before the effective date of
19 cancellation, the registrant's registration may be
20 revoked. The total and aggregate liability of the
21 surety on the bond is limited to the amount specified
22 in the escrow or surety account.

23 (2) Providing a surety bond in the amount of \$50,000,
24 naming the dispensing organization as principal of the
25 bond, with terms, approved by the Department, that the bond
26 defaults to the Department in the event of circumstances

1 outlined in this Act and rules. Bond terms shall include:

2 (A) The business name and registration number on
3 the bond must correspond exactly with the business name
4 and registration number in the Department's records.

5 (B) The bond must be written on a form approved by
6 the Department.

7 (C) A copy of the bond must be received by the
8 Department within 90 days after the effective date.

9 (D) The bond shall not be canceled by a surety on
10 less than 30 days' notice in writing to the Department.

11 If a bond is canceled and the registrant fails to file
12 a new bond with the Department in the required amount
13 on or before the effective date of cancellation, the
14 registrant's registration may be revoked. The total
15 and aggregate liability of the surety on the bond is
16 limited to the amount specified in the bond.

17 Section 15-60. Changes to a dispensing organization.

18 (a) A license shall be issued to the specific dispensing
19 organization identified on the application and for the specific
20 location proposed. The license is valid only as designated on
21 the license and for the location for which it is issued.

22 (b) A dispensing organization may only add principal
23 officers after being approved by the Department of Financial
24 and Professional Regulation.

25 (c) A dispensing organization shall provide written notice

1 of the removal of a principal officer within 5 business days
2 after removal. The notice shall include the written agreement
3 of the principal officer being removed, unless otherwise
4 approved by the Department, and allocation of ownership shares
5 after removal in an updated ownership chart.

6 (d) A dispensing organization shall provide a written
7 request to the Department for the addition of principal
8 officers. A dispensing organization shall submit proposed
9 principal officer applications on forms approved by the
10 Department of Financial and Professional Regulation.

11 (e) All proposed new principal officers shall be subject to
12 the requirements of this Act and this Article.

13 (f) The Department may prohibit the addition of a principal
14 officer to a dispensing organization for failure to comply with
15 this Act or this Article.

16 (g) A dispensing organization may not assign a license.

17 (h) A dispensing organization may not transfer a license
18 without prior Department approval.

19 (i) With the addition or removal of principal officers, the
20 Department will review the ownership structure to determine
21 whether the change in ownership has had the effect of a
22 transfer of the license. The dispensing organization shall
23 supply all ownership documents requested by the Department.

24 (j) A dispensing organization may apply to the Department
25 to approve a sale of the dispensary. A request to sell the
26 dispensary must be on application forms provided by the

1 Department. A request for an approval to sell a dispensing
2 organization must comply with the following:

3 (1) New application materials shall comply with this
4 Act;

5 (2) Application materials shall include a change of
6 ownership fee;

7 (3) The application materials shall provide proof that
8 the transfer of ownership will not have the effect of
9 granting any of the owners, or principal officers direct or
10 indirect ownership or control of more than 10 adult use
11 dispensing organizations licenses;

12 (4) New principal officers shall each complete the
13 proposed new principal officer application;

14 (5) If the Department approves the application
15 materials and proposed new principal officer applications,
16 it will perform an inspection before issuing a dispensary
17 license;

18 (6) If a new license is approved, the Department will
19 issue a new license number and certificate to the new
20 dispensing organization.

21 (k) The dispensing organization shall provide the
22 Department with the personal information for all new dispensing
23 organizations agents as required in this Article and all new
24 dispensing organization agents shall be subject to the
25 requirements of this Article. A dispensing organization agent
26 must obtain an agent card from the Department before beginning

1 work at a dispensary.

2 (1) Before remodeling, expansion, reduction, or other
3 physical, noncosmetic alteration of a dispensary, the
4 dispensing organization must notify the Department and confirm
5 the alterations are in compliance with this Act.

6 Section 15-65. Administration.

7 (a) A dispensing organization shall establish, maintain
8 and comply with written policies and procedures as submitted in
9 an Operations and Management Practices Plan, approved by the
10 Department of Financial and Professional Regulation, for the
11 security, storage, inventory and distribution of cannabis.
12 These policies and procedures shall include methods for
13 identifying, recording and reporting diversion, theft or loss,
14 and for correcting errors and inaccuracies in inventories. At a
15 minimum, dispensing organizations shall ensure the written
16 policies and procedures provide for the following:

17 (1) Mandatory and voluntary recalls of cannabis
18 products. The policies shall be adequate to deal with
19 recalls due to any action initiated at the request of the
20 Department and any voluntary action by the dispensing
21 organization to remove defective or potentially defective
22 cannabis from the market or any action undertaken to
23 promote public health and safety, including:

24 (i) A mechanism reasonably calculated to contact
25 consumers who have, or likely have, obtained the

1 product from the dispensary, including information on
2 the policy for return of the recalled product;

3 (ii) A mechanism to identify and contact the adult
4 use cultivation center, craft grower, or processor
5 that manufactured the cannabis;

6 (iii) Policies for communicating with the
7 Department of Financial and Professional Regulation,
8 the Department of Agriculture, and the Department of
9 Public Health within 24 hours of discovering defective
10 or potentially defective cannabis; and

11 (iv) Policies for destruction of any recalled
12 cannabis product;

13 (2) Responses to local, State or national emergencies,
14 including natural disasters, that affect the security or
15 operation of a dispensary;

16 (3) Segregation and destruction of outdated, damaged,
17 deteriorated, misbranded or adulterated cannabis. This
18 procedure shall provide for written documentation of the
19 cannabis disposition;

20 (4) Ensure the oldest stock of a cannabis product is
21 distributed first. The procedure may permit deviation from
22 this requirement, if such deviation is temporary and
23 appropriate;

24 (5) Training of dispensing organization agents in the
25 provisions of this Act and rules, to effectively operate
26 the point-of-sale system and the State's verification

1 system, proper inventory handling and tracking, specific
2 uses of cannabis or cannabis-infused products, instruction
3 regarding regulatory inspection preparedness and law
4 enforcement interaction; awareness of the legal
5 requirements for maintaining status as an agent and other
6 topics as specified by the dispensing organization or the
7 Department. The dispensing organization shall maintain
8 evidence of all training provided to each agent in its
9 files that is subject to inspection and audit by the
10 Department of Financial and Professional Regulation. The
11 dispensing organization shall ensure agents receive a
12 minimum of 8 hours of training annually, unless otherwise
13 approved by the Department of Financial and Professional
14 Regulation;

15 (6) Maintenance of business records consistent with
16 industry standards, including bylaws, consents, manual or
17 computerized records of assets and liabilities, audits,
18 monetary transactions, journals, ledgers and supporting
19 documents, including agreements, checks, invoices,
20 receipts and vouchers. Records shall be maintained in a
21 manner consistent with this Act and retained for 5 years;

22 (7) Inventory control, including:

23 (i) Tracking purchases and denials of sale;

24 (ii) Disposal of unusable or damaged cannabis as
25 required by this Act and rules; and

26 (8) Consumer education and support, including:

(i) Whether possession of cannabis is illegal under federal law;

(ii) Current educational information issued by the Department of Public Health about the health risks associated with the use or abuse of cannabis;

(iii) Information about possible side effects;

(iv) Prohibition on smoking medical cannabis in public places; and

(v) Offer any other appropriate consumer education or support materials.

(b) Security, including:

(1) Protocols for consumer and agent safety and management;

(2) Security of cannabis and currency;

(3) Restricted access to the areas where cannabis is stored to authorized agents:

(4) Identification of authorized agents;

(5) Controlled access and prevention of loitering both inside and outside the dispensary:

(6) Electronic monitoring, including cameras and motion detector; and

(7) Use of a panic button.

(c) A dispensing organization shall maintain copies of the policies and procedures on the dispensary premises and provide copies to the Department of Financial and Professional Regulation upon request. The dispensing organization shall

1 review the dispensing organization policies and procedures at
2 least once every 12 months from the issue date of the license
3 and update as needed due to changes in industry standards or as
4 requested by the Department of Financial and Professional
5 Regulation;

6 (d) A dispensing organization shall ensure that each
7 principal officer and each dispensary organization agent has a
8 current agent identification card in the agent's immediate
9 possession when the agent is at the dispensary.

10 (e) A dispensing organization shall provide prompt written
11 notice to the Department, including the date of the event, when
12 a dispensing organization agent no longer is employed by the
13 dispensing organization;

14 (f) A dispensing organization shall promptly document and
15 report any loss or theft of medical cannabis from the
16 dispensary to the Department of State Police and the
17 Department. It is the duty of any dispensing organization agent
18 who becomes aware of the loss or theft to report it as provided
19 in this Article. If the dispensing organization knows that a
20 principal officer or dispensing organization agent has been
21 arrested for or convicted of an excluded offense, the
22 dispensing organization shall promptly notify the Department.

23 (g) A dispensing organization shall post the following
24 information in a conspicuous location in an area of the
25 dispensary accessible to consumers:

26 (1) The dispensing organization's registration;

(2) The hours of operation.

(h) Signage.

(1) All dispensing organizations must display a placard that states the following: "Cannabis consumption can impair cognition and driving, is for adult use only, may be habit forming, and should not be used by pregnant or breastfeeding women.".

(2) Any dispensing organization that sells edible cannabis-infused products must display a placard that states the following:

(A) "Edible cannabis-infused products were produced in a kitchen not subject to public health inspections that may also process common food allergens."; and

(B) "The effects of cannabis products can vary from person to person, and it can take as long as two hours to feel the effects of some cannabis-infused products. Carefully review the portion size information and warnings contained on the product packaging before consuming.".

(3) The placards shall be no smaller than 24 inches tall by 36 inches wide, with typed letters no smaller than 2 inches, containing no additional language. The placard shall be clearly visible and readable by customers and shall be written in English. The signage shall be placed in the area where edible cannabis-infused products are sold.

1 and may be translated into additional languages as needed.

2 (i) A dispensing organization shall prominently post
3 notices inside the dispensing organization that state
4 activities that are strictly prohibited and punishable by law,
5 including, but not limited to:

6 (1) No minors permitted on the premises unless the
7 minor is a minor qualifying patient under the Compassionate
8 Use of Medical Cannabis Pilot Program Act;

9 (2) No on-site consumption of any cannabis or cannabis
10 products;

11 (3) Distribution to persons under the age of 21 is
12 prohibited;

13 (4) Transportation of cannabis or cannabis products
14 across state lines is prohibited.

15 Section 15-70. Operational requirements; prohibitions.

16 (a) A dispensing organization shall operate in accordance
17 with the representations made in its application and license
18 materials. It shall be in compliance with this Act and rules.

19 (b) A dispensing organization must include the legal name
20 of the dispensary on the packaging of any cannabis product it
21 sells.

22 (c) All cannabis, cannabis-infused products, and cannabis
23 seeds must be obtained from an Illinois registered Adult use
24 cultivation center, craft grower, processor, or another
25 dispensary.

1 (d) Dispensing organizations are prohibited from selling
2 any product containing alcohol except tinctures, which must be
3 limited to containers that are no larger than 30 milliliters.

4 (e) A dispensing organization shall inspect and count
5 product received by the adult use cultivation center before
6 dispensing it.

7 (f) A dispensing organization may only accept cannabis
8 deliveries into a restricted access area. Deliveries may not be
9 accepted through the public or limited access areas unless
10 otherwise approved by the Department of Financial and
11 Professional Regulation.

12 (g) A dispensing organization shall maintain compliance
13 with State and local building, fire, and zoning requirements or
14 regulations.

15 (h) A dispensing organization shall submit a list to the
16 Department of the name of all service professionals that will
17 work at the dispensary. The list shall include a description of
18 the type of business or service provided. Changes to the
19 service professional list shall be promptly provided. No
20 service professional shall work in the dispensary until the
21 name is provided to the Department on the service professional
22 list.

23 (i) A dispensing organization's license allows for a
24 dispensary to be operated at a single location.

25 (j) A dispensary may operate between 6 a.m. and 10 p.m.
26 local time.

1 (k) A dispensing organization must keep all lighting
2 outside and inside the dispensary in good working order and
3 wattage sufficient for security cameras.

4 (l) A dispensing organization shall ensure that any
5 building or equipment used by a dispensing organization for the
6 storage or sale of cannabis is maintained in a clean and
7 sanitary condition.

8 (m) The dispensary shall be free from infestation by
9 insects, rodents, or pests.

10 (n) A dispensing organization shall not:

11 (1) Produce or manufacture cannabis;

12 (2) Allow consumption of cannabis at the dispensary;

13 (3) Accept a cannabis product from an adult use
14 cultivation center, craft grower, processor, or
15 transporting organization unless it is pre-packaged and
16 labeled in accordance with this Act;

17 (4) Obtain cannabis or cannabis-infused products from
18 outside the State of Illinois.

19 (5) Sell cannabis or cannabis-infused products to a
20 consumer unless the individual is registered under the
21 Compassionate Use of Medical Cannabis Pilot Program or the
22 purchaser has been verified to be over the age of 21.

23 (6) Enter into an exclusive agreement with any adult
24 use cultivation center, craft grower, or processor.
25 Dispensaries shall provide consumers an assortment of
26 products from various cannabis business establishment

1 licensees. The Department may request that a dispensary
2 diversify its products as needed;

3 (7) Refuse to conduct business with a adult use
4 cultivation center, craft grower, or processor that has the
5 ability to properly deliver the product and is permitted by
6 the Department of Agriculture, on the same terms as other
7 adult use cultivation centers with whom it is dealing;

8 (8) Operate drive through windows;

9 (9) Allow for the dispensing of cannabis or
10 cannabis-infused products in vending machines;

11 (10) Transport cannabis to residences or other
12 locations where purchasers may be for delivery;

13 (11) Enter into agreements to allow persons who are not
14 dispensing organization agents to deliver cannabis to
15 transport cannabis to purchasers.

16 (12) Operate a dispensary if its video surveillance
17 equipment is inoperative;

18 (13) Operate a dispensary if the point-of-sale
19 equipment is inoperative;

20 (14) Operate a dispensary if the State's cannabis
21 electronic verification system is inoperative;

22 (15) Have fewer than 2 people working at the dispensary
23 at any time while the dispensary is open;

24 (16) Be located within 1,500 feet of the property line
25 of a pre-existing dispensing organization or medical
26 cannabis dispensing organization;

1 (17) Conduct sales or accept payment over the Internet
2 or through electronic application accessed from outside
3 the dispensing organization location, however, the
4 dispensing organization may allow purchasers to pre-order
5 items for pick up and payment inside the dispensary;

6 (18) Sell clones or any other live plant material;

7 (19) Sell cannabis, cannabis concentrate, or
8 cannabis-infused products in combination or bundled with
9 each other or any other items for one price, and each item
10 of cannabis, concentrate or cannabis-infused product must
11 be separately identified by quantity and price on the
12 receipt.

13 (19) Violate any other requirements or prohibitions
14 set by Department of Financial and Professional Regulation
15 rules.

16 (o) It is unlawful for any person having an Early Applicant
17 Adult Use Dispensing Organization License, an Adult Use
18 Dispensing Organization License, or a medical cannabis
19 dispensing organization license or any officer, associate,
20 member, representative, or agent of such licensee to accept,
21 receive, or borrow money or anything else of value or accept or
22 receive credit (other than merchandising credit in the ordinary
23 course of business for a period not to exceed 30 days) directly
24 or indirectly from any adult use cultivation center, craft
25 grower, processor, or transporting organization. This includes
26 anything received or borrowed or from any stockholders,

1 officers, agents, or person connected with an adult use
2 cultivation center, craft grower, processor, or transporting
3 organization. This also excludes any received or borrowed in
4 exchange for preferential placement by the dispensing
5 organization, including preferential placement on the
6 dispensing organization's shelves, display cases, or website.

7 (p) It is unlawful for any person having an Early Applicant
8 Adult Use Dispensing Organization License, an Adult Use
9 Dispensing Organization License, or a medical cannabis
10 dispensing organization license issued under the Compassionate
11 Use of Medical Cannabis Pilot Program Act to enter into any
12 contract with any person licensed to cultivate, process, or
13 transport cannabis whereby such licensee agrees not to sell any
14 cannabis cultivated, processed, or transported manufactured or
15 distributed by any other cultivator, transporter, or
16 processor, and any provision in any contract violative of this
17 Section shall render the whole of such contract void and no
18 action shall be brought thereon in any court.

19 Section 15-75. Inventory control system.

20 (a) A dispensing organization agent-in-charge shall have
21 primary oversight of the dispensing organization's cannabis
22 inventory verification system, and its point-of-sale system.
23 The inventory point-of-sale system shall be real-time,
24 web-based and accessible by the Department of Financial and
25 Professional Regulation at any time. The point-of-sale system

1 shall track, at a minimum the date of sale, amount, price, and
2 currency.

3 (b) A dispensing organization shall establish an account
4 with the State's verification system that documents:

5 (1) Each sales transaction at the time of sale and each
6 day's beginning inventory, acquisitions, sales, disposal,
7 and ending inventory.

8 (2) Acquisition of cannabis and cannabis-infused
9 products from a permitted adult use cultivation center,
10 including:

11 (i) A description of the products including the
12 quantity, strain, variety and batch number of each
13 product received;

14 (ii) The name and registry identification number
15 of the permitted adult use cultivation center, craft
16 grower, or processor providing the cannabis and
17 cannabis products;

18 (iii) The name and registry identification number
19 of the permitted adult use cultivation center, craft
20 grower, processor, or transportation agent delivering
21 the cannabis;

22 (iv) The name and registry identification number
23 of the dispensing organization agent receiving the
24 cannabis; and

25 (v) The date of acquisition.

26 (3) The disposal of cannabis, including:

(i) A description of the products, including the quantity, strain, variety, batch number and reason for the cannabis being disposed;

(ii) The method of disposal; and

(iii) The date and time of disposal.

(c) Upon cannabis delivery, a dispensing organization shall confirm the product's name, strain name, weight and identification number on the manifest matches the information on the cannabis product label and package. The product name listed and the weight listed in the State's verification system shall match the product packaging.

(d) The agent-in-charge shall conduct daily inventory reconciliation documenting and balancing cannabis inventory by confirming the State's verification system matches the dispensing organization's point-of-sale system and the amount of physical product at the dispensary.

(1) A dispensing organization must receive Department approval before completing an inventory adjustment. It shall provide a detailed reason for the adjustment. Inventory adjustment documentation shall be kept at the dispensary for 2 years from the date performed.

(2) If the dispensing organization identifies an imbalance in the amount of cannabis after the daily inventory reconciliation due to mistake, the dispensing organization shall determine how the imbalance occurred and immediately upon discovery take and document

1 corrective action. If the dispensing organization cannot
2 identify the reason for the mistake within 2 calendar days
3 after first discovery, it shall inform the Department
4 immediately in writing of the imbalance and the corrective
5 action taken to date. The dispensing organization shall
6 work diligently to determine the reason for the mistake.

7 (3) If the dispensing organization identifies an
8 imbalance in the amount of cannabis after the daily
9 inventory reconciliation or through other means due to
10 theft, criminal activity or suspected criminal activity,
11 the dispensing organization shall immediately determine
12 how the reduction occurred and take and document corrective
13 action. Within 24 hours after the first discovery of the
14 reduction due to theft, criminal activity or suspected
15 criminal activity, the dispensing organization shall
16 inform the Department of Financial and Professional
17 Regulation and the Department of State Police in writing.

18 (4) The dispensing organization shall file an annual
19 compilation report with the Department of Financial and
20 Professional Regulation, including a financial statement
21 that shall include, but not be limited to, an income
22 statement, balance sheet, profit and loss statement,
23 statement of cash flow, wholesale cost and sales and any
24 other documentation requested by the Department of
25 Financial and Professional Regulation in writing. The
26 financial statement shall include any other information

the Department deems necessary in order to effectively administer this Act and all rules, orders, and final decisions promulgated under this Act. Statements required by this Section shall be filed with the Department within 60 days after the end of the calendar year. The compilation report shall include a letter authored by a licensed certified public accountant that it has been reviewed and is accurate based on the information provided. The dispensing organization, financial statement and accompanying documents are not required to be audited unless specifically requested by the Department.

(e) A dispensing organization shall:

(1) Maintain the documentation required in this Section in a secure locked location at the dispensing organization for 5 years from the date on the document;

(2) Provide any documentation required to be maintained in this Section to the Department of Financial and Professional Regulation for review upon request; and

(3) If maintaining a bank account, retain for a period of 5 years a record of each deposit or withdrawal from the account.

(f) If a dispensing organization chooses to have a return policy for cannabis and cannabis products, the dispensary shall seek prior approval from the Department.

Section 15-80. Storage requirements.

1 (a) Authorized On-Premises Storage. A dispensing
2 organization must store inventory on its premises. All
3 inventory stored on the premises must be secured in a
4 restricted access area and tracked consistently with the
5 inventory tracking rules.

6 (b) A dispensary shall be of suitable size and construction
7 to facilitate cleaning, maintenance and proper operations.

8 (c) A dispensary shall maintain adequate lighting,
9 ventilation, temperature, humidity control and equipment.

10 (d) Containers storing cannabis that have been tampered
11 with or opened shall be labeled with the date opened and
12 quarantined from other cannabis products in the vault until
13 they are disposed.

14 (e) Cannabis that was tampered with or damaged shall not be
15 stored at the premises for more than 7 calendar days.

16 (f) Cannabis samples shall be in a sealed container.
17 Samples shall be maintained in the restricted access area.

18 (g) The dispensary storage areas shall be maintained in
19 accordance with the security requirements in this Act and rules

20 (h) Cannabis must be stored at appropriate temperatures and
21 under appropriate conditions to help ensure that its packaging,
22 strength, quality and purity are not adversely affected.

23 Section 15-85. Dispensing cannabis.

24 (a) Before a dispensing organization agent dispenses
25 cannabis to a purchaser, the agent shall:

1 (1) Verify the age of the purchaser by checking a
2 government-issued identification card containing a
3 photograph of the consumer;

4 (2) Verify the validity of the government-issued
5 identification card;

6 (3) Offer any appropriate consumer education or
7 support materials;

8 (4) Enter the following information into the State's
9 cannabis electronic verification system:

10 (i) The dispensing organization agent's
11 identification number;

12 (ii) The dispensing organization's identification
13 number;

14 (iii) The amount, type (including strain, if
15 applicable) of cannabis or cannabis-infused product
16 dispensed;

17 (iv) The date and time the cannabis was dispensed.

18 (b) A dispensing organization shall refuse to sell cannabis
19 or cannabis products to any person unless the person produces a
20 valid identification showing that the person is 21 years of age
21 or older. A medical cannabis dispensing organization may sell
22 cannabis or cannabis products to a person who is less than 21
23 years of age if the sale complies with the provisions of the
24 Compassionate Use of Medical Cannabis Pilot Program Act and
25 rules.

26 (c) For the purposes of this Section, valid identification

1 must:

2 (1) Be valid and unexpired;

3 (2) Contain a photograph and date of birth of the

4 person.

5 Section 15-90. Destruction and disposal of cannabis.

6 (a) Cannabis and cannabis-infused products must be
7 destroyed by rendering it unusable using methods approved by
8 the Department of Financial and Professional Regulation that
9 comply with this Act and rules.

10 (b) Cannabis waste rendered unusable must be promptly
11 disposed according to this Act and rules. Disposal of the
12 cannabis waste rendered unusable may be delivered to a
13 permitted solid waste facility for final disposition.
14 Acceptable permitted solid waste facilities include, but are
15 not limited to:

16 (1) Compostable Mixed Waste: Compost, anaerobic
17 digester or other facility with approval of the
18 jurisdictional health department.

19 (2) Noncompostable Mixed Waste: Landfill, incinerator
20 or other facility with approval of the jurisdictional
21 health department.

22 (c) All waste and unusable product shall be weighed,
23 recorded, and entered into the inventory system before
24 rendering it unusable. Verification of this event shall be
25 performed by an agent-in-charge and conducted in an area with

1 video surveillance.

2 (d) Electronic documentation of destruction and disposal
3 shall be maintained for a period of at least 5 years.

4 Section 15-95. Agent-in-charge.

5 (a) Every dispensing organization shall designate, at a
6 minimum, one agent-in-charge for each licensed dispensary. The
7 designated agent-in-charge must hold a dispensing organization
8 agent identification card. Maintaining an agent-in-charge is a
9 continuing requirement for the license, except as provided in
10 subsection (g).

11 (b) The agent-in-charge shall be a principal officer or a
12 full-time agent of the dispensing organization and shall manage
13 the dispensary. Managing the dispensary includes, but is not
14 limited to, responsibility for opening and closing the
15 dispensary, delivery acceptance, oversight of sales and
16 dispensing organization agents, recordkeeping, inventory,
17 dispensing organization agent training, and compliance with
18 this Act and rules. Participation in affairs also includes the
19 responsibility for maintaining all files subject to audit or
20 inspection by the Department at the dispensary.

21 (c) The agent-in-charge is responsible for promptly
22 notifying the Department of any change of information required
23 to be reported to the Department.

24 (d) In determining whether an agent-in-charge manages the
25 dispensary, the Department may consider the responsibilities

1 identified in this Section, the number of dispensing
2 organization agents under the supervision of the
3 agent-in-charge, and the employment relationship between the
4 agent-in-charge and the dispensing organization, including the
5 existence of a contract for employment and any other relevant
6 fact or circumstance.

7 (e) The agent-in-charge is responsible for notifying the
8 Department of a change in the employment status of all
9 dispensing organization agents within 5 business days after the
10 change, including notice to the Department if the termination
11 of an agent was for diversion of product or theft of currency.

12 (f) In the event of the separation of an agent-in-charge
13 due to death, incapacity, termination or any other reason and
14 if the dispensary does not have an active agent-in-charge, the
15 dispensing organization shall immediately contact the
16 Department and request a temporary certificate of authority
17 allowing the continuing operation. The request shall include
18 the name of an interim agent-in-charge until a replacement is
19 identified, or shall include the name of the replacement. The
20 Department shall issue the temporary certificate of authority
21 promptly after it approves the request. If a dispensing
22 organization fails to promptly request a temporary certificate
23 of authority after the separation of the agent-in-charge, its
24 registration shall cease until the Department approves the
25 temporary certificate of authority or registers a new
26 agent-in-charge. No temporary certificate of authority shall

1 be valid for more than 90 days. The succeeding agent-in-charge
2 shall register with the Department in compliance with this
3 Article. Once the permanent succeeding agent-in-charge is
4 registered with the Department, the temporary certificate of
5 authority is void. No temporary certificate of authority shall
6 be issued for the separation of an agent-in-charge due to
7 disciplinary action by the Department related to his or her
8 conduct on behalf of the dispensing organization.

9 (g) The dispensing organization agent-in-charge
10 registration shall expire one year from the date it is issued.
11 The agent-in-charge's registration shall be renewed annually.
12 The Department shall review the dispensary's compliance
13 history when determining whether to grant the request to renew.

14 (h) Upon termination of an agent-in-charge's employment,
15 the dispensing organization shall immediately reclaim the
16 dispensary agent identification card. The dispensing
17 organization shall promptly return the identification card to
18 the Department.

19 (i) The Department may deny an application or renewal,
20 discipline or revoke an agent-in-charge identification card
21 for any of the following reasons:

22 (1) Submission of misleading, incorrect, false or
23 fraudulent information in the application or renewal
24 application;

25 (2) Violation of the requirements of this Act or rules;

26 (3) Fraudulent use of the agent-in-charge

1 identification card;

2 (4) Selling, distributing, transferring in any manner,
3 or giving cannabis to any unauthorized person;

4 (5) Tampering with, falsifying, altering, modifying or
5 duplicating an agent-in-charge identification card;

6 (6) Tampering with, falsifying, altering, modifying
7 the surveillance video footage, point-of-sale system, or
8 the State's verification system;

9 (7) Failure to notify the Department immediately upon
10 discovery that the agent-in-charge identification card has
11 been lost, stolen or destroyed;

12 (8) Failure to notify the Department within 5 business
13 days after a change in the information provided in the
14 application for an agent-in-charge identification card;

15 (9) Conviction of an excluded offense or any incident
16 listed in this Act or rules following the issuance of an
17 agent-in-charge identification card; or

18 (10) Dispensing to purchasers in amounts above the
19 limits provided in this Act.

20 Section 15-100. Security.

21 (a) A dispensing organization shall implement security
22 measures to deter and prevent entry into and theft of cannabis
23 or currency.

24 (b) A dispensing organization shall submit any changes to
25 the floor plan or security plan to the Department for

1 pre-approval. All cannabis shall be maintained and stored in a
2 restricted access area during construction.

3 (c) The dispensing organization shall implement security
4 measures to protect the premises, consumers, dispensing
5 organization agents including, but not limited to the
6 following:

7 (1) Establish a locked door or barrier between the
8 facility's entrance and the limited access area;

9 (2) Prevent individuals from remaining on the premises
10 if they are not engaging in activity permitted by this Act
11 or rules;

12 (3) Develop a policy that addresses the maximum
13 capacity and consumer flow in the waiting rooms and limited
14 access areas;

15 (4) Dispose of cannabis in accordance with this Act and
16 rules;

17 (5) During hours of operation, store and dispense all
18 cannabis from the restricted access area. During
19 operational hours, cannabis shall be stored in an enclosed
20 locked room or cabinet and accessible only to specifically
21 authorized dispensing organization agents;

22 (6) When the dispensary is closed, store all cannabis
23 and currency in a reinforced vault room in the restricted
24 access area and in a manner as to prevent diversion, theft
25 or loss;

26 (7) Keep the reinforced vault room and any other

1 equipment or cannabis storage areas securely locked and
2 protected from unauthorized entry;

3 (8) Keep an electronic daily log of dispensing
4 organization agents with access to the reinforced vault
5 room and knowledge of the access code or combination;

6 (9) Keep all locks and security equipment in good
7 working order;

8 (10) The security and alarm system shall be operational
9 at all times.

10 (11) Prohibit keys, if applicable, from being left in
11 the locks, or stored or placed in a location accessible to
12 persons other than specifically authorized personnel;

13 (12) Prohibit accessibility of security measures,
14 including combination numbers, passwords or electronic or
15 biometric security systems to persons other than
16 specifically authorized dispensing organization agents;

17 (13) Ensure the dispensary interior and exterior
18 premises are sufficiently lit to facilitate surveillance;

19 (14) Ensure that trees, bushes and other foliage
20 outside of the dispensary premises do not allow for a
21 person or persons to conceal themselves from sight;

22 (15) Develop emergency policies and procedures for
23 securing all product and currency following any instance of
24 diversion, theft or loss of cannabis, and conduct an
25 assessment to determine whether additional safeguards are
26 necessary; and

(16) Develop sufficient additional safeguards in response to any special security concerns, or as required by the Department.

(d) The Department may request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in this Article. Any additional protections may be considered by the Department in evaluating overall security measures.

(e) A dispensing organization may share premises with another licensee as permitted in this Act other than a adult use cultivation center, provided each licensee stores currency and cannabis or cannabis-infused products in a separate secured vault to which the other licensee does not have access, or to which all licensees sharing the vault are owned by the same entity.

(f) A dispensing organization shall provide additional security as needed and in a manner appropriate for the community where it operates.

(g) Restricted Access Areas.

(1) All restricted access areas must be identified by the posting of a sign that is a minimum of 12 inches by 12 inches and that states "Do Not Enter - Restricted Access Area - Authorized Personnel Only" in lettering no smaller than one inch in height.

(2) All restricted access areas shall be clearly described in the floor plan of the premises, in the form

1 and manner determined by the Department, reflecting walls,
2 partitions, counters and all areas of entry and exit. The
3 floor plan shall show all storage, disposal, and retail
4 sales areas.

5 (3) All restricted access areas must be secure, with
6 locking devices that prevent access from the limited access
7 areas.

8 (h) Security and Alarm.

9 (1) A dispensing organization shall have an adequate
10 security plan and security system to prevent and detect
11 diversion, theft or loss of cannabis, currency or
12 unauthorized intrusion using commercial grade equipment
13 installed by an Illinois licensed private alarm contractor
14 or private alarm contractor agency that shall, at a
15 minimum, include:

16 (i) A perimeter alarm on all entry points and glass
17 break protection on perimeter windows;

18 (ii) Security shatterproof tinted film on exterior
19 windows;

20 (iii) A failure notification system that provides
21 an audible, text or visual notification of any failure
22 in the surveillance system, including but not limited
23 to, panic buttons, alarms, and video monitoring
24 system. The failure notification system shall provide
25 an alert to designated dispensing organization agents
26 within 5 minutes after the failure, either by telephone

1 or text message;

2 (iv) A duress alarm, panic button and alarm, or
3 holdup alarm and after-hours intrusion detection alarm
4 that by design and purpose will directly or indirectly
5 notify, by the most efficient means, the Public Safety
6 Answering Point for the law enforcement agency having
7 primary jurisdiction;

8 (v) Security equipment to deter and prevent
9 unauthorized entrance into the dispensary, including
10 electronic door locks on the limited and restricted
11 access areas that include devices or a series of
12 devices to detect unauthorized intrusion that may
13 include a signal system interconnected with a radio
14 frequency method, cellular, private radio signals or
15 other mechanical or electronic device;

16 (2) All security system equipment and recordings shall
17 be maintained in good working order, in a secure location
18 so as to prevent theft, loss, destruction or alterations.

19 (3) Access to surveillance monitoring recording
20 equipment shall be limited to persons that are essential to
21 surveillance operations, law enforcement authorities
22 acting within their jurisdiction, security system service
23 personnel and the Department. A current list of authorized
24 dispensing organization agents and service personnel that
25 have access to the surveillance equipment must be available
26 to the Department upon request.

1 (4) All security equipment shall be inspected and
2 tested at regular intervals, not to exceed one month from
3 the previous inspection and test to ensure the systems
4 remain functional.

5 (5) The security system shall provide protection
6 against theft and diversion that is facilitated or hidden
7 by tampering with computers or electronic records.

8 (6) The dispensary shall ensure all access doors are
9 not solely controlled by an electronic access panel to
10 ensure that locks are not released during a power outage.

11 (i) To monitor the dispensary, the dispensing organization
12 shall incorporate continuous electronic video monitoring
13 including the following:

14 (1) All monitors must be 19-inches or greater;

15 (2) Unobstructed video surveillance of all enclosed
16 dispensary areas, unless prohibited by law, including all
17 points of entry and exit that shall be appropriate for the
18 normal lighting conditions of the area under surveillance.
19 The cameras shall be directed so all areas are captured,
20 including, but not limited to, safes, vaults, sales areas
21 and areas where cannabis is stored, handled, dispensed or
22 destroyed. Cameras shall be angled to allow for facial
23 recognition, the capture of clear and certain
24 identification of any person entering or exiting the
25 dispensary area and in lighting sufficient during all times
26 of night or day;

(3) Unobstructed video surveillance of outside areas, the storefront and the parking lot, that shall be appropriate for the normal lighting conditions of the area under surveillance. Cameras shall be angled so as to allow for the capture of facial recognition, clear and certain identification of any person entering or exiting the dispensary, the immediate surrounding area and license plates of vehicles in the parking lot;

(4) 24-hour recordings from all video cameras available for immediate viewing by the Department upon request. Recordings shall not be destroyed or altered and retained for at least 90 days. Recordings shall be retained as long as necessary if the dispensing organization is aware of the loss or theft of cannabis or a pending criminal, civil or administrative investigation, or legal proceeding for which the recording may contain relevant information;

(5) The ability to immediately produce a clear, color still photo from the surveillance video, either live or recorded:

(6) A date and time stamp embedded on all video surveillance recordings. The date and time shall be synchronized and set correctly and shall not significantly obscure the picture;

(7) The ability to remain operational during a power outage and ensure all access doors are not solely

1 controlled by an electronic access panel to ensure that
2 locks are not released during a power outage;

3 (8) All video surveillance equipment shall allow for
4 the exporting of still images in an industry standard image
5 format, including .jpg, .bmp, and .gif. Exported video
6 shall have the ability to be archived in a proprietary
7 format that ensures authentication of the video and
8 guarantees that no alteration of the recorded image has
9 taken place. Exported video shall also have the ability to
10 be saved in an industry standard file format that can be
11 played on a standard computer operating system. All
12 recordings shall be erased or destroyed before disposal;

13 (9) The video surveillance system shall be operational
14 during a power outage with a 4-hour minimum battery backup;

15 (10) A video camera or cameras recording at each
16 point-of-sale location allowing for the identification of
17 the dispensing organization agent distributing the
18 cannabis and any consumer. The camera or cameras shall
19 capture the sale, the individuals and the computer monitors
20 used for the sale;

21 (11) A failure notification system that provides an
22 audible and visual notification of any failure in the
23 electronic video monitoring system; and

24 (12) All electronic video surveillance monitoring must
25 record at least the equivalent of 8 frames per second and
26 be available to the Department and the Department of State

1 Police 24 hours a day in real time via a secure web-based
2 portal with reverse functionality.

3 (j) The requirements contained in this Act are minimum
4 requirements for operating a dispensing organization. The
5 Department may establish additional requirements by rule.

6 Section 15-110. Recordkeeping.

7 (a) Dispensing organization records must be maintained
8 electronically and be available for inspection by the
9 Department of Financial and Professional Regulation upon
10 request. Required written records include, but are not limited
11 to, the following:

12 (1) Operating procedures;

13 (2) Inventory records, policies and procedures;

14 (3) Security records;

15 (4) Audit records;

16 (5) Staffing plan; and

17 (6) Business records, including but not limited to:

18 (i) Assets and liabilities;

19 (ii) Monetary transactions;

20 (iii) Written or electronic accounts that shall
21 include bank statements, journals, ledgers and
22 supporting documents, agreements, checks, invoices,
23 receipts and vouchers; and

24 (iv) Any other financial accounts reasonably
25 related to the dispensary operations.

1 (b) Storage and transfer of records. If a dispensary closes
2 due to insolvency, revocation, bankruptcy or for any other
3 reason, all records must be preserved at the expense of the
4 dispensing organization for at least 3 years in a form and
5 location in Illinois acceptable to the Department. The
6 dispensing organization shall keep the records longer if
7 requested by the Department. The dispensing organization shall
8 notify the Department of the location where the dispensary
9 records are stored or transferred.

10 Section 15-120. Closure of a dispensary.

11 (a) If a dispensing organization decides not to renew its
12 license or decides to close its business, it shall promptly
13 notify the Department of Financial and Professional
14 Regulation, not less than 3 months before the effective date of
15 the closing date or as otherwise authorized by the Department.

16 (b) The dispensing organization shall work with the
17 Department to develop a closure plan that addresses, at a
18 minimum, the transfer of business records, transfer of cannabis
19 products, and anything else the Department finds necessary.

20 Section 15-125. Fees. After January 1, 2022, the Department
21 of Financial and Professional Regulation may by rule modify any
22 application or renewal fee established under this Article.

23 Section 15-130. Confidentiality.

1 (a) The following information received and records kept by
2 the Department of Financial and Professional Regulation for
3 purposes of administering this Article are subject to all
4 applicable federal privacy laws, confidential, and exempt from
5 the Freedom of Information Act, and not subject to disclosure
6 to any individual or public or private entity, except as
7 necessary for authorized employees of the Department of
8 Financial and Professional Regulation to perform official
9 duties under this Article and the following information
10 received and kept by the Department of Financial and
11 Professional Regulation, excluding any existing or nonexisting
12 Illinois or national criminal history record information, may
13 be disclosed to the Department of Public Health, the Department
14 of Agriculture, the Department of Revenue, or the Department of
15 State Police upon request:

16 (1) Applications and renewals, their contents, and
17 supporting information submitted by or on behalf of
18 dispensing organizations in compliance with this Article,
19 including their physical addresses;

20 (2) Any plans, procedures, policies, or other records
21 relating to dispensing organization security;

22 (3) Information otherwise exempt from disclosure by
23 State or federal law.

24 (b) All information collected by the Department of
25 Financial and Professional Regulation in the course of an
26 examination, inspection, or investigation of a licensee or

1 applicant, including, but not limited to, any complaint against
2 a licensee or applicant filed with the Department and
3 information collected to investigate any such complaint, shall
4 be maintained for the confidential use of the Department and
5 shall not be disclosed, except as otherwise provided in the
6 Act. A formal complaint filed against a licensee by the
7 Department or any disciplinary order issued by the Department
8 against a licensee or applicant shall be a public record,
9 except as otherwise prohibited by law.

10 Section 15-135. Investigations.

11 (a) Dispensing organizations are subject to random and
12 unannounced dispensary inspections and cannabis testing by the
13 Department of Financial and Professional Regulation and the
14 Department of State Police.

15 (b) The Department of Financial and Professional
16 Regulation and its authorized representatives may enter any
17 place, including a vehicle, in which cannabis is held, stored,
18 dispensed, sold, produced, delivered, transported,
19 manufactured, or disposed of and inspect in a reasonable
20 manner, the place and all pertinent equipment, containers and
21 labeling, and all things including records, files, financial
22 data, sales data, shipping data, pricing data, personnel data,
23 research, papers, processes, controls and facility, and
24 inventory any stock of cannabis and obtain samples of any
25 cannabis or cannabis product, any labels or containers for

1 cannabis, or paraphernalia.

2 (c) The Department of Financial and Professional
3 Regulation may conduct an investigation of an applicant,
4 application, dispensing organization, principal officer,
5 dispensary agent, third party vendor or any other party
6 associated with a dispensing organization for an alleged
7 violation of this Act or rules or to determine qualifications
8 to be granted a registration by the Department.

9 (d) The Department of Financial and Professional
10 Regulation may require an applicant or dispensing organization
11 to produce documents, records or any other material pertinent
12 to the investigation of an application or alleged violations of
13 this Act or rules. Failure to provide the required material may
14 be grounds for denial or discipline.

15 (e) Every person charged with preparation, obtaining, or
16 keeping records, logs, reports, or other documents in
17 connection with this Act and rules and every person in charge,
18 or having custody, of those documents shall, upon request by
19 the Department, make the documents immediately available for
20 inspection and copying by the Department, the Department's
21 authorized representative, or others authorized by law to
22 review the documents.

23 Section 15-140. Citations. The Department may issue
24 nondisciplinary citations for minor violations. Any such
25 citation issued by the Department may be accompanied by a fee.

1 The fee shall not exceed \$20,000 per violation. The citation
2 shall be issued to the licensee and shall contain the
3 licensee's name and address, the licensee's license number, a
4 brief factual statement, the Sections of the law allegedly
5 violated, and the fee, if any, imposed. The citation must
6 clearly state that the licensee may choose, in lieu of
7 accepting the citation, to request a hearing. If the licensee
8 does not dispute the matter in the citation with the Department
9 within 30 days after the citation is served, then the citation
10 shall become final and not subject to appeal. The penalty shall
11 be a fee or other conditions as established by rule.

12 Section 15-145. Grounds for discipline.

13 (a) The Department of Financial and Professional
14 Regulation may deny issuance, refuse to renew, or restore or
15 may reprimand, place on probation, suspend, revoke, or take
16 other disciplinary or nondisciplinary action against any
17 license or agent identification card or may impose a fine for
18 any of the following:

19 (1) Material misstatement in furnishing information to
20 the Department;

21 (2) Violations of this Act or rules;

22 (3) Obtaining an authorization or license by fraud or
23 misrepresentation;

24 (4) A pattern of conduct that demonstrates
25 incompetence or lack of fitness;

1 (5) Aiding or assisting another person in violating any
2 provision of this Act or rules;

3 (6) Failing to respond to a written request for
4 information by the Department within 30 days;

5 (7) Engaging in unprofessional, dishonorable, or
6 unethical conduct of a character likely to deceive,
7 defraud, or harm the public;

8 (8) Discipline by another United States jurisdiction
9 or foreign nation;

10 (9) A finding by the Department that the licensee,
11 after having his or her license placed on suspended or
12 probationary status, has violated the terms of the
13 suspension or probation;

14 (10) Conviction, entry of a plea of guilty, nolo
15 contendere or the equivalent in a State or federal court of
16 a principal officer or agent-in-charge to an excluded
17 offense, a felony, or of 2 or more misdemeanors involving
18 moral turpitude during the previous 5 years as shown by a
19 certified copy of a court record;

20 (11) Excessive use or addiction to alcohol, narcotics,
21 stimulants, or any other chemical agent or drug;

22 (12) A finding by the Department of a discrepancy in a
23 Department audit of cannabis;

24 (13) A finding by the Department of a discrepancy in a
25 Department audit of capital or funds;

26 (14) A finding by the Department of acceptance of

1 cannabis from a source other than an Adult Use Cultivation
2 Center licensed by the Department of Agriculture;

3 (15) An inability to operate using reasonable
4 judgment, skill, or safety due to physical or mental
5 illness or other impairment or disability, including
6 without limitation, deterioration through the aging
7 process or loss of motor skills or mental incompetence;

8 (16) Failing to report to the Department within the
9 timeframes established, or if not identified, 14 days, of
10 any adverse final action taken against the dispensing
11 organization or an agent by a licensing jurisdiction in any
12 state or any territory of the United States or any foreign
13 jurisdiction, any governmental agency, any law enforcement
14 agency or any court defined in this Section;

15 (17) Failing to comply with a subpoena issued by the
16 Department;

17 (18) Failure to promptly inform the Department of any
18 change of address;

19 (19) Disclosing customer names, personal information,
20 or protected health information in violation of any State
21 or federal law;

22 (20) Operating a dispensary before obtaining a license
23 from the Department;

24 (21) Dispensing cannabis when prohibited by this Act or
25 rules;

26 (22) Any fact or condition that, if it had existed at

1 the time of the original application for the license, would
2 have warranted the denial of the license;

3 (23) Permitting a person without a valid agent
4 identification card to be employed by the dispensing
5 organization;

6 (24) Failure to assign an agent-in-charge as required
7 by this Article;

8 (25) Personnel insufficient in number or unqualified
9 in training or experience to properly operate the
10 dispensary business;

11 (26) Any pattern of activity that causes a harmful
12 impact on the community; and

13 (27) Failing to prevent diversion, theft, or loss of
14 cannabis.

15 (b) All fines and fees imposed under this Section shall be
16 paid within 60 days after the effective date of the order
17 imposing the fine or as otherwise specified in the order.

18 (c) A circuit court order establishing that an
19 agent-in-charge or principal officer holding an agent
20 identification card is subject to involuntary admission as that
21 term is defined in Sections 1-119 or 1-119.1 of the Mental
22 Health and Developmental Disabilities Code shall operate as a
23 suspension of that card.

24 Section 15-150. Temporary suspension.

25 (a) The Secretary of Financial and Professional Regulation

1 may temporarily suspend a dispensing organization license or an
2 agent registration without a hearing if the Secretary finds
3 that public safety or welfare requires emergency action. The
4 Secretary shall cause the temporary suspension by issuing a
5 suspension notice in connection with the institution of
6 proceedings for a hearing.

7 (b) If the Secretary temporarily suspends a license or
8 agent registration without a hearing, the licensee or agent is
9 entitled to a hearing within 45 days after the suspension
10 notice has been issued. The hearing shall be limited to the
11 issues cited in the suspension notice, unless all parties agree
12 otherwise.

13 (c) If the Department does not hold a hearing within 45 days
14 after the date the suspension notice was issued, then the
15 suspended license or registration shall be automatically
16 reinstated and the suspension vacated.

17 (d) The suspended licensee or agent may seek a continuance
18 of the hearing date, during which time the suspension remains
19 in effect and the license or registration shall not be
20 automatically reinstated.

21 (e) Subsequently discovered causes of action by the
22 Department after the issuance of the suspension notice may be
23 filed as a separate notice of violation. The Department is not
24 precluded from filing a separate cause of action against the
25 suspended licensee or agent.

1 Section 15-155. Consent to administrative supervision
2 order. In appropriate cases, the Department of Financial and
3 Professional Regulation may resolve a complaint against a
4 licensee or agent through the issuance of a consent order for
5 administrative supervision. A license or agent subject to a
6 consent order shall be considered by the Department to hold a
7 license or registration in good standing.

8 Section 15-160. Notice; hearing.

9 (a) The Department shall, before disciplining an applicant
10 or licensee, at least 30 days before the date set for the
11 hearing: (i) notify the accused in writing of the charges made
12 and the time and place for the hearing on the charges, (ii)
13 direct him or her to file a written answer to the charges under
14 oath within 20 days after service, and (iii) inform the
15 applicant or licensee that failure to answer will result in a
16 default being entered against the applicant or licensee.

17 (b) At the time and place fixed in the notice, the hearing
18 officer appointed by the Secretary shall proceed to hear the
19 charges, and the parties or their counsel shall be accorded
20 ample opportunity to present any pertinent statements,
21 testimony, evidence, and arguments. The hearing officer may
22 continue the hearing from time to time. In case the person,
23 after receiving the notice, fails to file an answer, his or her
24 license may, in the discretion of the Secretary, having first
25 received the recommendation of the hearing officer, be

1 suspended, revoked, or placed on probationary status, or be
2 subject to whatever disciplinary action the Secretary
3 considers proper, including a fine, without hearing, if that
4 act or acts charged constitute sufficient grounds for that
5 action under this Act.

6 (c) The written notice and any notice in the subsequent
7 proceeding may be served by regular mail or email to the
8 licensee's or applicant's address of record.

9 Section 15-165. Subpoenas; oaths. The Department of
10 Financial and Professional Regulation shall have power to
11 subpoena and bring before it any person and to take testimony
12 either orally or by deposition, or both, with the same fees and
13 mileage and in the same manner as prescribed by law in judicial
14 proceedings in civil cases in courts in this State. The
15 Secretary or the hearing officer shall each have power to
16 administer oaths to witnesses at any hearings that the
17 Department is authorized to conduct.

18 Section 15-170. Hearing; motion for rehearing.

19 (a) The hearing officer shall hear evidence in support of
20 the formal charges and evidence produced by the licensee. At
21 the conclusion of the hearing, the hearing officer shall
22 present to the Secretary a written report of his or her
23 findings of fact, conclusions of law, and recommendations.

24 (b) At the conclusion of the hearing, a copy of the hearing

1 officer's report shall be served upon the applicant or licensee
2 by the Department, either personally or as provided in this Act
3 for the service of a notice of hearing. Within 20 calendar days
4 after service, the applicant or licensee may present to the
5 Department a motion in writing for rehearing, which shall
6 specify the particular grounds for rehearing. The Department
7 may respond to the motion for rehearing within 20 calendar days
8 after its service on the Department. If no motion for rehearing
9 is filed, then upon the expiration of the time specified for
10 filing such motion, or upon denial of a motion for rehearing,
11 the Secretary may enter an order in accordance with the
12 recommendation of the hearing officer. If the applicant or
13 licensee orders from the reporting service and pays for a
14 transcript of the record within the time for filing a motion
15 for rehearing, the 20-day period within which a motion may be
16 filed shall commence upon the delivery of the transcript to the
17 applicant or licensee.

18 (c) If the Secretary disagrees in any regard with the
19 report of the hearing officer, the Secretary may issue an order
20 contrary to the report.

21 (d) Whenever the Secretary is not satisfied that
22 substantial justice has been done, the Secretary may order a
23 rehearing by the same or another hearing officer.

24 (e) At any point in any investigation or disciplinary
25 proceeding under in this Article, both parties may agree to a
26 negotiated consent order. The consent order shall be final upon

1 signature of the Secretary.

2 Section 15-175. Review under the Administrative Review
3 Law.

4 (a) All final administrative decisions of the Department
5 hereunder shall be subject to judicial review under the
6 provisions of the Administrative Review Law, and all amendment
7 and modifications thereof. The term "administrative decision"
8 is defined as in Section 3-101 of the Code of Civil Procedure.

9 (b) Proceedings for judicial review shall be commenced in
10 the circuit court of the county in which the party applying for
11 review resides, but if the party is not a resident of Illinois,
12 the venue shall be in Sangamon County.

13 (c) The Department shall not be required to certify any
14 record to the court, file any answer in court or otherwise
15 appear in any court in a judicial review proceeding, unless and
16 until the Department has received from the plaintiff payment of
17 the costs of furnishing and certifying the record, which costs
18 shall be determined by the Department. Failure on the part of
19 the plaintiff to file a receipt in court shall be grounds for
20 dismissal of the action.

21 ARTICLE 20.

ADULT USE CULTIVATION CENTERS

23 Section 20-5. Issuance of licenses. On or after January 1,

1 2021, the Department of Agriculture by rule may:

2 (1) Modify or change the number of cultivation center
3 licenses available, which shall at no time exceed 30
4 cultivation center licenses. In determining whether to
5 exercise the authority granted by this subsection, the
6 Department of Agriculture must consider the following
7 factors:

8 (A) The percentage of cannabis sales occurring in
9 Illinois not in the regulated market using data from
10 the Substance abuse and Mental Health Services
11 Administration, National Survey on Drug Use and
12 Health, Illinois Behavioral Risk Factor Surveillance
13 System, and tourism data from the Illinois Office of
14 Tourism to ascertain total cannabis consumption in
15 Illinois compared to the amount of sales in licensed
16 dispensing organizations;

17 (B) Whether there is an adequate supply of cannabis
18 and cannabis-infused products to serve registered
19 medical cannabis patients;

20 (C) Whether there is an adequate supply of cannabis
21 and cannabis-infused products to serve purchasers;

22 (D) Whether there is an oversupply of cannabis in
23 Illinois leading to trafficking of cannabis to states
24 where the sale of cannabis is not permitted by law;

25 (E) Population increases or shifts;

26 (F) Changes to federal law;

1 (G) Perceived security risks of increasing the
2 number or location of cultivation centers;

3 (H) The past security records of cultivation
4 centers;

5 (I) The Department of Agriculture's capacity to
6 appropriately regulate additional licensees;

7 (J) The findings and recommendations from the
8 disparity and availability study commissioned by the
9 Department of Commerce and Economic Opportunity
10 referenced in subsection (e) of Section 5-45 to reduce
11 or eliminate any identified barriers to entry in the
12 cannabis industry; and

13 (K) Any other criteria the Department of
14 Agriculture deems relevant.

15 (2) Modify or change the licensing application process
16 to reduce or eliminate the barriers identified in the
17 disparity and availability study commission by the
18 Illinois Cannabis Regulation Oversight Officer and shall
19 make modifications to remedy evidence of discrimination.

20 Section 20-10. Early Approval of Adult Use Cultivation
21 Center License.

22 (a) Any medical cannabis cultivation center registered and
23 in good standing under the Compassionate Use of Medical
24 Cannabis Pilot Program Act may, within 60 days of the effective
25 date of this Act, apply to the Department of Agriculture for an

1 Early Approval Adult Use Cultivation Center License to produce
2 cannabis and cannabis products at its existing facilities as of
3 the effective date of this Act.

4 (b) A medical cannabis cultivation center seeking issuance
5 of an Early Approval Adult Use Cultivation Center License shall
6 submit an application on forms provided by the Department of
7 Agriculture. The application must meet the following
8 qualifications:

9 (1) Includes payment of a nonrefundable permit fee of
10 \$100,000 to be deposited in the Cannabis Regulation Fund;

11 (2) Proof of registration as a medical cannabis
12 cultivation center that is in good standing;

13 (3) Submission of the application by the same person or
14 entity that holds the medical cannabis cultivation center
15 registration;

16 (4) Certification that the applicant will comply with
17 the requirements of Section 20-30;

18 (5) Include the legal name of the cultivation center;

19 (6) Include the physical address of the cultivation
20 center;

21 (7) The name, address, social security number, and date
22 of birth of each principal officer and board member of the
23 cultivation center; each of those individuals shall be at
24 least 21 years of age;

25 (8) A nonrefundable Cannabis Business Development fee
26 equal to 5% of the cultivation center's total sales between

1 July 1, 2018 to July 1, 2019 or \$500,000, whichever is
2 less, but at not less than \$100,000, to be deposited in the
3 Cannabis Business Development Fund; and

4 (9) Commit to completing one of the following Social
5 Equity Inclusion Plans provided for in this subsection (b)
6 before the expiration of the Early Approval Adult Use
7 Dispensing Organization License:

8 (A) A contribution of 5% of the cultivation
9 center's total sales from June 1, 2018, to June 1,
10 2019, or \$100,000, whichever is less, to one of the
11 following:

12 (i) the Cannabis Business Development Fund.

13 This is in addition to the fee required by item (8)
14 of subsection (b) of this Section;

15 (ii) a cannabis industry training or education
16 program at an Illinois community college as
17 defined in the Public Community College Act;

18 (iii) a program that provides job training
19 services to persons recently incarcerated or that
20 operate in a Disproportionately Impacted Area.

21 (B) Participate as a host in a cannabis business
22 incubator program approved by the Department of
23 Commerce and Economic Opportunity, and in which an
24 Early Approval Adult Use Cultivation Center License
25 holder agrees to provide a loan of at least \$100,000
26 and mentorship to incubate a licensee that qualifies as

1 a Social Equity Applicant for at least a year. As used
2 here, incubate means providing direct financial
3 assistance and training necessary to engage in
4 licensed cannabis industry activity similar to that of
5 the host licensee. The Early Approval Adult Use
6 Cultivation Center License holder or the same entity
7 holding any other licenses issued pursuant to this Act
8 shall not take an ownership stake of greater than 10%
9 in any business receiving incubation services to
10 comply with this subsection. If an Early Approval Adult
11 Use Cultivation Center License holder fails to find a
12 business to incubate to comply with this subsection
13 before its Early Approval Adult Use Cultivation Center
14 License expires, it may opt to meet the requirement of
15 this subsection by completing another item from this
16 subsection prior to the expiration of its Early
17 Approval Adult Use Cultivation Center License to avoid
18 a penalty.

19 (c) An Early Approval Adult Use Cultivation Center License
20 shall be valid until March 31, 2021. A cultivation center that
21 obtains an Early Approval Adult Use Cultivation Center License
22 shall receive written or electronic notice 90 days before the
23 expiration of the license that the license will expire, and
24 inform the license holder that it may apply for an Adult Use
25 Cultivation Center License. The Department of Agriculture
26 shall grant an Adult Use Cultivation Center License within 45

1 days of submission of an application if:

2 (1) the cultivation center submits an application and
3 the required nonrefundable fee of \$30,000 for an Adult Use
4 Cultivation Center License;

5 (2) the Department of Agriculture has not suspended the
6 license of the cultivation center or suspended or revoked
7 the license for violating this Act or rules adopted under
8 this Act; and

9 (3) the dispensing organization has completed a Social
10 Equity Inclusion Plan as required by item (8) of subsection
11 (b) of this Section.

12 (d) The license fee required by paragraph (1) of subsection
13 (c) of this Section shall be in addition to any license fee
14 required for the renewal of a registered medical cannabis
15 cultivation center license that expires during the effective
16 period of the Early Approval Adult Use Cultivation Center
17 License.

18 (e) Applicants must submit all required information,
19 including the requirements in subsection (b) of this Section to
20 the Department of Agriculture. Failure by an applicant to
21 submit all required information may result in the application
22 being disqualified.

23 (f) If the Department of Agriculture receives an
24 application with missing information, the Department may issue
25 a deficiency notice to the applicant. The applicant shall have
26 10 calendar days from the date of the deficiency notice to

1 submit complete information. Applications that are still
2 incomplete after this opportunity to cure may be disqualified.

3 (g) If an applicant meets all the requirements of
4 subsection (b) of this Section, the Department of Agriculture
5 shall issue the Early Approval Adult Use Cultivation Center
6 License within 14 days of receiving the application unless:

7 (1) The licensee; principal officer, board member, or
8 person having a financial or voting interest of 5% or
9 greater in the licensee; or agent is delinquent in filing
10 any required tax returns or paying any amounts owed to the
11 State of Illinois; or

12 (2) The Director of Agriculture determines there is
13 reason, based on an inordinate number of documented
14 compliance violations, the licensee is not entitled to an
15 Early Approval Adult Use Cultivation Center License; or

16 (3) The licensee fails to commit to the community
17 benefits program.

18 (h) A cultivation center that obtains an Early Approval
19 Adult Use Cultivation Center License may begin producing
20 cannabis and cannabis products once the dual use application is
21 approved. A cultivation center that obtains an Early Approval
22 Adult Use Cultivation Center License may begin selling cannabis
23 and cannabis products on September 1, 2019.

24 (i) An Early Approval Adult Use Cultivation Center License
25 holder must continue to produce and provide an adequate supply
26 of cannabis and cannabis-infused products for purchase by

1 qualifying patients and caregivers. For the purposes of this
2 subsection, adequate supply means a monthly production level
3 that is comparable in type and quantity to those medical
4 cannabis products produced for patients and caregivers on an
5 average monthly basis for the 6 months before the effective
6 date of this Act.

7 (j) If there is a shortage of cannabis or cannabis-infused
8 products, a license holder shall prioritize patients
9 registered under the Compassionate Use of Medical Cannabis
10 Pilot Program Act over adult use purchasers.

11 (k) A cultivation center that obtains an Early Approval
12 Adult Use Cultivation Center License shall receive written or
13 electronic notice 90 days before the expiration of the license
14 that the license will expire, and inform the license holder
15 that it may apply for an Adult Use Cultivation Center License.
16 The Department of Agriculture shall grant an Adult Use
17 Cultivation Center License within 45 days of submission of an
18 application for an Adult Use Cultivation Center from a
19 recipient of an Early Approval Adult Use Cultivation License
20 Holder if:

21 (1) the cultivation center submits an application and
22 the required nonrefundable fee for an Adult Use Cultivation
23 Center License;

24 (2) the Department of Agriculture has not suspended the
25 license of the dispensing organization or suspended or
26 revoked the license for violating this Act or rules adopted

1 under this Act; and

2 (3) the cultivation center has completed a Community
3 Benefits Plan as required by paragraph (9) of subsection
4 (b) of this Section.

5 (l) If a cultivation center fails to submit an application
6 for an Adult Use Cultivation Center License before the
7 expiration of the Early Approval Adult Use Cultivation Center
8 License, the dispensing organization shall cease serving
9 purchasers operations until it receives an Adult Use
10 Cultivation Center License.

11 (m) A cultivation center agent who holds a valid
12 cultivation center agent identification card issued under the
13 Compassionate Use of Medical Cannabis Pilot Program Act and is
14 an officer, director, manager, or employee of the cultivation
15 center licensed under this Section may engage in all activities
16 authorized by this Article to be performed by a cultivation
17 center agent.

18 (n) If the Department of Agriculture suspends or revokes
19 the Early Approval Adult Use Cultivation Center License of a
20 cultivation center under Act that also holds a medical cannabis
21 cultivation center license issued under the Compassionate Use
22 of Medical Cannabis Pilot Program Act, the Department of
23 Agriculture shall suspend or revoke the medical cannabis
24 cultivation center license concurrently with the Early
25 Approval Adult Use Cultivation Center License.

26 (o) All fees or fines collected from an Early Approval

1 Adult Use Cultivation Center License holder as a result of a
2 disciplinary action in the enforcement of this Act shall be
3 deposited into the Cannabis Regulation Fund.

4 Section 20-15. Application.

5 (a) If the Department of Agriculture makes available
6 additional cultivation center licenses, applicants for a
7 cultivation center license, the applicant shall electronically
8 submit the following in such form as the Department of
9 Agriculture may direct:

10 (1) the nonrefundable application fee set by rule by
11 the Department of Agriculture, to be deposited into the
12 Cannabis Regulation Fund;

13 (2) the legal name of the cultivation center;

14 (3) the proposed physical address of the cultivation
15 center;

16 (4) the name, address, Social Security Number, and date
17 of birth of each principal officer and board member of the
18 cultivation center; each principal officer and board
19 member shall be at least 21 years of age;

20 (5) the details of any administrative or judicial
21 proceeding in which any of the principal officers or board
22 members of the cultivation center (i) pled guilty, were
23 convicted, fined, or had a registration or license
24 suspended or revoked, or (ii) managed or served on the
25 board of a business or non-profit organization that pled

1 guilty, was convicted, fined, or had a registration or
2 license suspended or revoked;

3 (6) proposed operating bylaws that include procedures
4 for the oversight of the cultivation center, including the
5 development and implementation of a plant monitoring
6 system, accurate recordkeeping, staffing plan, and
7 security plan approved by the Department of State Police
8 that are in accordance with the rules issued by the
9 Department of Agriculture under this Act. A physical
10 inventory shall be performed of all plants and cannabis on
11 a weekly basis by the cultivation center;

12 (7) verification from the Department of State Police
13 that all background checks of the prospective principal
14 officers, board members, and agents of the cannabis
15 establishment have been conducted and those persons have
16 not been convicted of an excluded offense;

17 (8) a copy of the current local zoning ordinance or
18 permit and verification that the proposed cultivation
19 center is in compliance with the local zoning rules and
20 distance limitations established by the local
21 jurisdiction;

22 (9) proposed employment practices, in which the
23 applicant must demonstrate a plan of action to inform,
24 hire, and educate minorities, women, veterans, and persons
25 with disabilities and engage in fair labor practices and
26 provide worker protections;

1 (10) whether an applicant can demonstrate experience
2 in or business practices that promote economic empowerment
3 in Disproportionately Impacted Areas;

4 (11) experience with the cultivation of agricultural
5 or horticultural products, operating an agriculturally
6 related business, or operating a horticultural business;

7 (12) whether the applicant consents to a labor peace
8 agreement. The applicant may attest that the applicant has
9 entered into a labor peace agreement and will abide by the
10 terms of the agreement. The applicant may submit a copy of
11 the page of the labor peace agreement that contains the
12 signatures of the union representative and the applicant;

13 (13) a description of the enclosed, locked facility
14 where cannabis will be grown, harvested, manufactured,
15 processed, packaged, or otherwise prepared for
16 distribution to a dispensing organization;

17 (14) a survey of the enclosed, locked facility,
18 including the space used for cultivation;

19 (15) cultivation, processing, inventory, and packaging
20 plans;

21 (16) a description of the applicant's experience with
22 agricultural cultivation techniques and industry
23 standards;

24 (17) a list of any academic degrees, certifications, or
25 relevant experience of all prospective principal officers,
26 board members, and agents with related businesses;

(18) the identity of every person having a financial or voting interest of 5% or greater in the cultivation center operation with respect to which the license is sought, whether a trust, corporation, partnership, limited liability company, or sole proprietorship, including the name and address of each person;

(19) a plan describing how the cultivation center will address each of the following:

(i) energy needs, including estimates of monthly electricity and gas usage, to what extent it will procure energy from a local utility or from on-site generation, and if it has or will adopt a sustainable energy use and energy conservation policy;

(ii) water needs, including estimated water draw and if it has or will adopt a sustainable water use and water conservation policy; and

(iii) waste management, including if it has or will adopt a waste reduction policy;

(20) a diversity plan which includes a narrative of not more than 2,500 words that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity; and

(21) any other information required by rule.

(b) Applicants must submit all required information, including that required in Section 20-10 to the Department of

1 Agriculture. Failure by an applicant to submit all required
2 information may result in the application being disqualified.

3 (c) If the Department of Agriculture receives an
4 application with missing information, the Department of
5 Agriculture may issue a deficiency notice to the applicant. The
6 applicant shall have 10 calendar days from the date of the
7 deficiency notice to resubmit the incomplete information.
8 Applications that are still incomplete after this opportunity
9 to cure, will not be scored and will be disqualified.

10 (d) An applicant may submit for further consideration:

11 (1) A recycling plan.

12 (A) Any recyclable waste generated by the cannabis
13 cultivation facility shall be recycled per applicable
14 State and local laws, ordinances, and rules.

15 (B) Any cannabis waste, liquid waste, or hazardous
16 waste shall be disposed of in accordance with 8 Ill.
17 Adm. Code 1000.460, except, to the greatest extent
18 feasible, all cannabis plant waste will be rendered
19 unusable by grinding and incorporating the cannabis
20 plant waste with compostable mixed waste to be disposed
21 of in accordance with 8 Ill Adm. Code 1000.460(g)(1).

22 (2) Commitment to comply with local waste provisions: a
23 cultivation facility must remain in compliance with
24 applicable State and federal environmental requirements,
25 including, but not limited to:

26 (A) storing, securing, and managing all

1 recyclables and waste, including organic waste
2 composed of or containing finished cannabis and
3 cannabis products, in accordance with applicable State
4 and local laws, ordinances, and rules, and

5 (B) Disposing liquid waste containing cannabis or
6 byproducts of cannabis processing in compliance with
7 all applicable State and federal requirements,
8 including, but not limited to, the cannabis
9 cultivation facility's permits under Title X of the
10 Environmental Protection Act.

11 (3) A commitment to a technology standard for resource
12 efficiency of the cultivation center or craft grow
13 facility.

14 (A) A cannabis cultivation facility commits to use
15 resources efficiently, including energy and water. For
16 the following, a cannabis cultivation facility commits
17 to meet or exceed the technology standard identified in
18 paragraphs (ii), (iii), and (iv), which may be modified
19 by rule:

20 (i) lighting systems, including light bulbs,

21 (ii) HVAC system,

22 (iii) water application system to the crop,

23 and

24 (iv) filtration system for removing
25 contaminants from wastewater.

26 (B) Lighting. The Lighting Power Densities (LPD)

for cultivation space commits to not exceed an average of 36 watts per gross square foot of active and growing space canopy, or all installed lighting technology shall meet a photosynthetic photon efficacy (PPE) of no less than 2.2 micromoles per joule fixture and shall be featured on the DesignLights Consortium (DLC) Horticultural Specification Qualified Products List (QPL). In the event that DLC requirement for minimum efficacy exceeds 2.2 micromoles per joule fixture, that PPE shall become the new standard.

(C) HVAC.

(i) For cannabis grow operations with less than 6,000 square feet of canopy, the licensee commits that all HVAC units will be high-efficiency ductless split HVAC units, or other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

(i) The cannabis cultivation facility commits to use automated watering systems, including, but not limited to, drip irrigation and flood tables, to irrigate cannabis crop.

(ii) The cannabis cultivation facility commits to measure runoff from watering events and report this volume in its water usage plan, and that on average, watering events shall have no more than 20% of runoff of water.

(E) Filtration. The cultivator commits that HVAC condensate, dehumidification water, excess runoff, and other wastewater produced by the cannabis cultivation facility shall be captured and filtered to the best of the facility's ability to achieve the quality needed to be reused in subsequent watering rounds.

(4) The existence of a labor peace agreement.

(A) For an applicant with 20 or more employees, the applicant may attest that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant. Maintaining a labor peace agreement shall be an ongoing material condition of a cannabis business license.

(B) Applicants that are party to a labor peace agreement with a bona fide labor organization that currently represents, or is actively seeking to represent cannabis workers in Illinois.

(C) Applicants that submit an attestation

1 affirming that they will use best efforts to use union
2 labor in the construction or retrofit of the facilities
3 associated with their cannabis business.

4 Section 20-20. Scoring applications.

5 (a) The Department of Agriculture shall by rule develop a
6 system to score cultivation center applications to
7 administratively rank applications based on the clarity,
8 organization and quality of the applicant's responses to
9 required information. Applicants shall be awarded points
10 according based on the following categories:

11 (1) Suitability of the proposed facility;
12 (2) Proposed staffing and consent to enter a peace
13 labor agreement with employees;
14 (3) Security Plan;
15 (4) Cultivation Plan;
16 (5) Product Safety and Labeling Plan;
17 (6) Business Plan;
18 (7) The applicant's status as a Social Equity
19 Applicant, which shall constitute no less than 12.5% of
20 total available points;

21 (8) Bonus points based on the applicant's (i) plan to
22 perform research, (ii) use environmentally friendly
23 practices, (iii) engage in philanthropic efforts; (iv) the
24 existence of a labor peace agreement, and (v) the applicant
25 is 51% or more owned and controlled by an individual or

1 individuals who have been an Illinois resident for the past
2 5 years as proved by tax records; and

3 (9) any other criteria the Department of Agriculture
4 may set by rule for points or bonus points.

5 (b) Should the applicant be awarded a cultivation center
6 license, the information and plans that an applicant provided
7 in its application, including any plans submitted for the
8 acquiring of bonus points, becomes a mandatory condition of the
9 permit. Any variation from or failure to perform such plans may
10 result in discipline, including the revocation or nonrenewal of
11 a license.

12 (c) Should the applicant be awarded a cultivation center
13 license, it shall pay a fee of \$100,000 prior to receiving the
14 license, to be deposited into the Cannabis Regulation Fund. The
15 Department of Agriculture may by rule adjust the fee in this
16 Section after January 1, 2021.

17 Section 20-25. Denial of application. An application for a
18 cultivation center license must be denied if any of the
19 following conditions are met:

20 (1) the applicant failed to submit the materials
21 required by this Article;

22 (2) the applicant would not be in compliance with local
23 zoning rules;

24 (3) one or more of the prospective principal officers
25 or board members has been convicted of an excluded offense;

1 (4) one or more of the prospective principal officers,
2 or board members causes a violation of Section 20-30 of
3 this Article;

4 (5) one or more of the principal officers or board
5 members is under 21 years of age;

6 (6) a principal officer or board member of the
7 cultivation center has been convicted of a felony under the
8 laws of this State, any other State, or the United States;

9 (7) a principal officer or board member of the
10 cultivation center has been convicted of any violation of
11 Article 28 of the Criminal Code of 2012, or substantially
12 similar laws of any other jurisdiction;

13 (8) the person has submitted an application for a
14 permit under this Act that contains false information; or

15 (9) the licensee, principal officer, board member, or
16 person having a financial or voting interest of 5% or
17 greater in the licensee, or the agent is delinquent in
18 filing any required tax returns or paying any amounts owed
19 to the State of Illinois.

20 Section 20-30. Cultivation center requirements;
21 prohibitions.

22 (a) The operating documents of a cultivation center shall
23 include procedures for the oversight of the cultivation center
24 a cannabis plant monitoring system including a physical
25 inventory recorded weekly, accurate recordkeeping, and a

1 staffing plan.

2 (b) A cultivation center shall implement a security plan
3 reviewed by the Department of State Police that includes, but
4 is not limited to: facility access controls, perimeter
5 intrusion detection systems, personnel identification systems,
6 24-hour surveillance system to monitor the interior and
7 exterior of the cultivation center facility and accessible to
8 authorized law enforcement, the Department of Public Health
9 where processing takes place, and the Department of Agriculture
10 in real time.

11 (c) All cultivation of cannabis by a cultivation center
12 must take place in an enclosed, locked facility at the physical
13 address provided to the Department of Agriculture during the
14 licensing process. The cultivation center location shall only
15 be accessed by the agents working for the cultivation center
16 the Department of Agriculture staff performing inspections,
17 the Department of Public Health staff performing inspections,
18 law enforcement or other emergency personnel, contractors
19 working on jobs unrelated to cannabis, such as installing or
20 maintaining security devices or performing electrical wiring,
21 transporting organization agents as provided in this Act,
22 individuals in a mentoring or educational program approved by
23 the State, or other individuals as provided by rule.

24 (d) A cultivation center may not sell or distribute any
25 cannabis or cannabis-infused products to any person other than
26 a dispensing organization, processing organization, or as

1 otherwise authorized by rule.

2 (e) A cultivation center may not either directly or
3 indirectly discriminate in price between different dispensing
4 organizations that are purchasing a like grade, strain, brand,
5 and quality of cannabis or cannabis-infused product. Nothing in
6 this subsection (e) prevents a cultivation centers from pricing
7 cannabis differently based on differences in the cost of
8 manufacturing or processing, the quantities sold, such as
9 volume discounts, or the way the products are delivered.

10 (f) All cannabis harvested by a cultivation center and
11 intended for distribution to a dispensing organization must be
12 entered into a data collection system, packaged and labeled
13 under section (section on package and label section number),
14 and placed into a cannabis container for transport. All
15 cannabis harvested by a cultivation center and intended for
16 distribution to a processing organization must be packaged in a
17 labeled cannabis container and entered into a data collection
18 system before transport.

19 (g) No person who has been convicted of or pled guilty to
20 an excluded offense may be a cultivation center agent.

21 (h) Cultivation centers are subject to random inspections
22 by the Department of Agriculture, the Department of Public
23 Health, and the Department of State Police.

24 (i) A cultivation center agent shall notify local law
25 enforcement, the Department of State Police, and the Department
26 of Agriculture within 24 hours of the discovery of any loss or

1 theft. Notification shall be made by phone or in person, or by
2 written or electronic communication.

3 (j) A cultivation center shall comply with all State and
4 any applicable federal rules and regulations regarding the use
5 of pesticides on cannabis plants.

6 (k) No person or entity shall hold any legal, equitable,
7 ownership, or beneficial interest, directly or indirectly, of
8 more than 3 cultivation centers licensed under this Article.
9 Further, no person or entity who is employed by, an agent of,
10 has a contract to receive payment in any form from a
11 cultivation center, is a principal officer of a cultivation
12 center, or entity controlled by or affiliated with a principal
13 officer of a cultivation shall hold any legal, equitable,
14 ownership, or beneficial interest, directly or indirectly, in a
15 cultivation that would result in the person or entity owning or
16 controlling in combination with any cultivation center,
17 principal officer of a cultivation center, or entity controlled
18 or affiliated with a principal officer of a cultivation center
19 by which he, she, or it is employed, is an agent of, or has a
20 contract to receive payment from, more than 3 cultivation
21 center licenses.

22 (l) A cultivation center may not contain more than 100,000
23 square feet of canopy space for cultivation of cannabis.

24 (m) A cultivation center may process cannabis, cannabis
25 concentrates, and cannabis-infused products.

26 (n) Beginning July 1, 2020, a cultivation center shall not

1 transport cannabis to a craft grower, dispensing organization,
2 processing organization, or laboratory licensed under this
3 Act, unless it has obtained a transporting organization
4 license.

5 (o) It is unlawful for any person having a cultivation
6 center license or any officer, associate, member,
7 representative or agent of such licensee to offer or deliver
8 money, or anything else of value, directly or indirectly to any
9 person having an Early Applicant Adult Use Dispensing
10 Organization License, an Adult Use Dispensing Organization
11 License, or a medical cannabis dispensing organization license
12 issued under the Compassionate Use of Medical Cannabis Pilot
13 Program Act, or to any person connected with or in any way
14 representing, or to any member of the family of, such person
15 holding an Early Applicant Adult Use Dispensing Organization
16 License, an Adult Use Dispensing Organization License, or a
17 medical cannabis dispensing organization license issued under
18 the Compassionate Use of Medical Cannabis Pilot Program Act, or
19 to any stockholders in any corporation engaged the retail sales
20 of cannabis, or to any officer, manager, agent or
21 representative of said Early Applicant Adult Use Dispensing
22 Organization License, an Adult Use Dispensing Organization
23 License, or a medical cannabis dispensing organization license
24 issued under the Compassionate Use of Medical Cannabis Pilot
25 Program Act to obtain preferential placement within the
26 dispensing organization, including without limitation on

1 shelves and in display cases where purchasers can view
2 products, or on the dispensing organization's website.

3 (p) Any other requirements or prohibitions set by
4 Department of Agriculture rules.

5 Section 20-35. Cultivation center agent identification
6 card.

7 (a) The Department of Agriculture shall:

8 (1) establish by rule the information required in an
9 initial application or renewal application for an agent
10 identification card submitted under this Act and the
11 nonrefundable fee to accompany the initial application or
12 renewal application;

13 (2) verify the information contained in an initial
14 application or renewal application for an agent
15 identification card submitted under this Act, and approve
16 or deny an application within 30 days of receiving a
17 completed initial application or renewal application and
18 all supporting documentation required by rule;

19 (3) issue an agent identification card to a qualifying
20 agent within 15 business days of approving the initial
21 application or renewal application;

22 (4) enter the license number of the craft grower where
23 the agent works; and

24 (5) allow for an electronic initial application and
25 renewal application process, and provide a confirmation by

1 electronic or other methods that an application has been
2 submitted. Each Department may by rule require prospective
3 agents to file their applications by electronic means and
4 to provide notices to the agents by electronic means.

5 (b) An agent must keep his or her identification card
6 visible at all times when on the property of a cannabis
7 establishment including the cannabis establishment for which
8 he or she is an agent.

9 (c) The agent identification cards shall contain the
10 following:

11 (1) the name of the cardholder;
12 (2) the date of issuance and expiration date of the
13 identification card;
14 (3) a random 10-digit alphanumeric identification
15 number containing at least 4 numbers and at least 4 letters
16 that is unique to the holder;

17 (4) a photograph of the cardholder; and
18 (5) the legal name of the cannabis establishment
19 employing the agent.

20 (d) An agent identification card shall be immediately
21 returned to the cannabis establishment of the agent upon
22 termination of his or her employment.

23 (e) Any agent identification card lost by a cultivation
24 center agent shall be reported the Department of State Police
25 and the Department of Agriculture immediately upon discovery of
26 the loss.

1 (f) An applicant for an agent identification card shall be
2 denied if he or she has been convicted of or pled guilty to an
3 excluded offense.

4 (g) The Department of Agriculture shall not issue an agent
5 identification card if the applicant is delinquent in filing
6 any required tax returns or paying any amounts owed to the
7 State of Illinois.

8 Section 20-40. Cultivation center background checks.

9 (a) Through the Department of State Police, the licensing
10 or issuing Department shall conduct a background check of the
11 prospective principal officers, board members, and agents of a
12 cultivation center applying for a license or identification
13 card under this Act. The Department of State Police shall
14 charge a fee set by rule for conducting the criminal history
15 record check, which shall be deposited into the State Police
16 Services Fund and shall not exceed the actual cost of the
17 record check. In order to carry out this provision, each
18 cannabis establishment prospective principal officer, board
19 member, or agent shall submit a full set of fingerprints to the
20 Department of State Police for the purpose of obtaining a State
21 and federal criminal records check. These fingerprints shall be
22 checked against the fingerprint records now and hereafter, to
23 the extent allowed by law, filed in the Department of State
24 Police and Federal Bureau of Investigation criminal history
25 records databases. The Department of State Police shall

1 furnish, following positive identification, all conviction
2 information to the Department of Agriculture.

3 (b) When applying for the initial license or identification
4 card, the background checks for all prospective principal
5 officers, board members, and agents shall be completed before
6 submitting the application to the licensing or issuing agency.

7 Section 20-45. Renewal of cultivation center licenses and
8 agent identification cards.

9 (a) Licenses and identification cards issued under this Act
10 shall be renewed annually. A cultivation center shall receive
11 written or electronic notice 90 days before the expiration of
12 its current license that the license will expire. The
13 Department of Agriculture shall grant a renewal within 45 days
14 of submission of a renewal application if:

15 (1) the cultivation center submits a renewal
16 application and the required nonrefundable renewal fee of
17 \$100,000, or another amount as the Department of
18 Agriculture may set by rule after January 1, 2021, to be
19 deposited into the Cannabis Regulation Fund.

20 (2) the Department of Agriculture has not suspended the
21 license of the cultivation center or suspended or revoked
22 the license for violating this Act or rules adopted under
23 this Act; and

24 (3) the cultivation center has continued to operate in
25 accordance with all plans submitted as part of its

1 application and approved by the Department of Agriculture
2 or any amendments thereto that have been approved by the
3 Department of Agriculture.

4 (b) If a cultivation center fails to renew its license
5 before expiration, it shall cease operations until its license
6 is renewed.

7 (c) If a cultivation center agent fails to renew his or her
8 identification card before its expiration, he or she shall
9 cease to work as an agent of the cannabis business
10 establishment until his or her identification card is renewed.

11 (d) Any cultivation center that continues to operate, or
12 any cultivation center agent who continues to work as an agent,
13 after the applicable license or identification card has expired
14 without renewal are subject to the penalties provided under
15 Section 45-5.

16 ARTICLE 30.

17 CRAFT GROWERS

18 Section 30-5. Issuance of licenses.

19 (a) The Department of Agriculture shall issue up to 40
20 craft grower licenses by July 1, 2020.

21 (b) By December 21, 2021, the Department of Agriculture
22 shall issue up to 60 additional craft grower licenses. Prior to
23 issuing such licenses, the Department may adopt rules through
24 emergency rulemaking in accordance with subsection (gg) of

1 Section 5-45 of the Illinois Administrative Procedure Act, to
2 modify or raise the number of craft grower licenses assigned to
3 each region and modify or change the licensing application
4 process to reduce or eliminate barriers. The General Assembly
5 finds that the adoption of rules to regulate cannabis use is
6 deemed an emergency and necessary for the public interest,
7 safety and welfare. In determining whether to exercise either
8 authority granted by this subsection, the Department of
9 Agriculture must consider the following factors:

10 (1) The percentage of cannabis sales occurring in
11 Illinois not in the regulated market using data from the
12 Substance abuse and Mental Health Services Administration,
13 National Survey on Drug Use and Health, Illinois Behavioral
14 Risk Factor Surveillance System, and tourism data from the
15 Illinois Office of Tourism to ascertain total cannabis
16 consumption in Illinois compared to the amount of sales in
17 licensed dispensing organizations;

18 (2) Whether there is an adequate supply of cannabis and
19 cannabis-infused products to serve registered medical
20 cannabis patients;

21 (3) Whether there is an adequate supply of cannabis and
22 cannabis-infused products to serve purchasers;

23 (4) Whether there is an oversupply of cannabis in
24 Illinois leading to trafficking of cannabis to states where
25 the sale of cannabis is not permitted by law;

26 (5) Population increases or shifts;

1 (6) The density of craft growers in any area of the
2 State;

3 (7) Perceived security risks of adding increasing the
4 number or location of craft growers;

5 (8) The past safety record of craft growers;

6 (9) The Department of Agriculture's capacity to
7 appropriately regulate additional licensees;

8 (10) The findings and recommendations from the
9 disparity and availability study commissioned by the
10 Illinois Cannabis Regulation Oversight Officer to reduce
11 or eliminate any identified barriers to entry in the
12 cannabis industry; and

13 (11) Any other criteria the Department of Agriculture
14 deems relevant.

15 (c) After January 1, 2022, the Department of Financial and
16 Professional Regulation may by rules modify or raise the number
17 of craft grower licenses assigned to each region, and modify or
18 change the licensing application process to reduce or eliminate
19 barriers based on the criteria in subsection (b). At no time
20 may the number of craft grower licenses exceed 150.

21 Section 30-10. Application.

22 (a) When applying for a license, the applicant shall
23 electronically submit the following in such form as the
24 Department of Agriculture may direct:

25 (1) the nonrefundable application fee of \$40,000 to be

1 deposited into the Cannabis Regulation Fund, or another
2 amount as the Department of Agriculture may set by rule
3 after January 1, 2021;

4 (2) the legal name of the craft grower;

5 (3) the proposed physical address of the craft grower;

6 (4) the name, address, and date of birth of each
7 principal officer and board member of the craft grower;
8 each principal officer and board member shall be at least
9 21 years of age;

10 (5) the details of any administrative or judicial
11 proceeding in which any of the principal officers or board
12 members of the craft grower (i) pled guilty, were
13 convicted, fined, or had a registration or license
14 suspended or revoked, or (ii) managed or served on the
15 board of a business or non-profit organization that pled
16 guilty, was convicted, fined, or had a registration or
17 license suspended or revoked;

18 (6) proposed operating bylaws that include procedures
19 for the oversight of the craft grower, including the
20 development and implementation of a plant monitoring
21 system, accurate recordkeeping, staffing plan, and
22 security plan approved by the Department of State Police
23 that are in accordance with the rules issued by the
24 Department of Agriculture under this Act. A physical
25 inventory shall be performed of all plants and on a weekly
26 basis by the craft grower;

1 (7) verification from the Department of State Police
2 that all background checks of the prospective principal
3 officers, board members, and agents of the cannabis
4 establishment have been conducted and those persons have
5 not been convicted of an excluded offense;

6 (8) a copy of the current local zoning ordinance or
7 permit and verification that the proposed craft grower is
8 in compliance with the local zoning rules and distance
9 limitations established by the local jurisdiction;

10 (9) proposed employment practices, in which the
11 applicant must demonstrate a plan of action to inform,
12 hire, and educate minorities, women, veterans, and persons
13 with disabilities and engage in fair labor practices and
14 provide worker protections;

15 (10) whether an applicant can demonstrate experience
16 in or business practices that promote economic empowerment
17 in Disproportionately Impacted Areas;

18 (11) experience with the cultivation of agricultural
19 or horticultural products, operating an agriculturally
20 related business, or operating a horticultural business;

21 (12) whether the applicant consents to a labor peace
22 agreement. The applicant may attest that the applicant has
23 entered into a labor peace agreement and will abide by the
24 terms of the agreement. The applicant may submit a copy of
25 the page of the labor peace agreement that contains the
26 signatures of the union representative and the applicant;

1 (13) a description of the enclosed, locked facility
2 where cannabis will be grown, harvested, manufactured,
3 packaged, or otherwise prepared for distribution to a
4 dispensing organization or other cannabis business
5 establishment;

6 (14) a survey of the enclosed, locked facility,
7 including the space used for cultivation;

8 (15) cultivation, processing, inventory, and packaging
9 plans;

10 (16) a description of the applicant's experience with
11 agricultural cultivation techniques and industry
12 standards;

13 (17) a list of any academic degrees, certifications, or
14 relevant experience of all prospective principal officers,
15 board members, and agents with related businesses;

16 (18) the identity of every person having a financial or
17 voting interest of 5% or greater in the cultivation center
18 or craft grower operation with respect to which the license
19 is sought, whether a trust, corporation, partnership,
20 limited liability company, or sole proprietorship,
21 including the name and address of each person;

22 (19) a plan describing how the craft grower will
23 address each of the following:

24 (i) energy needs, including estimates of monthly
25 electricity and gas usage, to what extent it will
26 procure energy from a local utility or from on-site

1 generation, and if it has or will adopt a sustainable
2 energy use and energy conservation policy;

3 (ii) water needs, including estimated water draw
4 and if it has or will adopt a sustainable water use and
5 water conservation policy; and

6 (iii) waste management, including if it has or will
7 adopt a waste reduction policy; and

8 (20) any other information required by rule.

9 (b) Applicants must submit all required information,
10 including that required in Section 30-40 to the Department of
11 Agriculture. Failure by an applicant to submit all required
12 information may result in the application being disqualified.

13 (c) If the Department of Agriculture receives an
14 application with missing information, the Department of
15 Agriculture may issue a deficiency notice to the applicant. The
16 applicant shall have 10 calendar days from the date of the
17 deficiency notice to resubmit the incomplete information.
18 Applications that are still incomplete after this opportunity
19 to cure, will not be scored and will be disqualified.

20 (d) An applicant may submit for further consideration:

21 (1) A recycling plan.

22 (A) A commitment that any recyclable waste
23 generated by the craft grower shall be recycled per
24 applicable State and local laws, ordinances, and
25 rules.

26 (B) A commitment that any cannabis waste, liquid

waste, or hazardous waste shall be disposed of in accordance with 8 Ill. Adm. Code 1000.460, except, to the greatest extent feasible, all cannabis plant waste will be rendered unusable by grinding and incorporating the cannabis plant waste with compostable mixed waste to be disposed of in accordance with 8 Ill. Adm. Code 1000.460(g)(1).

(2) A commitment to comply with local waste provisions.

The craft grower will remain in compliance with applicable State and federal environmental requirements, including, but not limited to:

(A) storing, securing, and managing all recyclables and waste, including organic waste composed of or containing finished cannabis and cannabis products, in accordance with applicable State and local laws, ordinances, and rules, and

(B) disposing liquid waste containing cannabis or byproducts of cannabis processing in compliance with all applicable State and federal requirements, including, but not limited to, the cannabis cultivation facility's permits under Title X of the Environmental Protection Act.

(3) A commitment to a technology standard for resource efficiency of the craft grower.

(A) A craft grower commits to use resources efficiently, including energy and water. For the

1 following, a craft grower commits to meet or exceed the
2 technology standard identified in paragraphs (ii),
3 (iii), and (iv), which may be modified by rule:

4 (i) lighting systems, including light bulbs,

5 (ii) HVAC system,

6 (iii) water application system to the crop,

7 and

8 (iv) filtration system for removing
9 contaminants from wastewater.

10 (B) Lighting. The Lighting Power Densities (LPD)
11 for cultivation space will not exceed an average of
12 36 watts per gross square foot of active and growing
13 space canopy, or all installed lighting technology
14 shall meet a photosynthetic photon efficacy (PPE) of no
15 less than 2.2 micromoles per joule fixture and shall be
16 featured on the DesignLights Consortium (DLC)
17 Horticultural Specification Qualified Products List
18 (QPL). In the event that DLC requirement for minimum
19 efficacy exceeds 2.2 micromoles per joule fixture,
20 that PPE shall become the new standard.

21 (C) HVAC.

22 (i) For cannabis grow operations with less
23 than 6,000 square feet of canopy, the licensee
24 commits that all HVAC units will be
25 high-efficiency ductless split HVAC units, or
26 other more energy efficient equipment.

(ii) For cannabis grow operations with 6,000 square feet of canopy or more, the licensee commits that all HVAC units will be variable refrigerant flow HVAC units, or other more energy efficient equipment.

(D) Water application.

(i) The craft grower commits to use automated watering systems, including, but not limited to, drip irrigation and flood tables, to irrigate cannabis crop.

(ii) The craft grower commits to measure runoff from watering events and report this volume in its water usage plan, and that on average, watering events shall have no more than 20% of runoff of water.

(E) **Filtration.** The craft grower commits that HVAC condensate, dehumidification water, excess runoff, and other wastewater produced by the cannabis cultivation facility shall be captured and filtered to the best of the facility's ability to achieve the quality needed to be reused in subsequent watering rounds.

(4) The existence of a labor peace agreement.

(A) For an applicant with 20 or more employees, the applicant may attest that the applicant has entered into a labor peace agreement and will abide by the terms of the agreement. The applicant shall submit a

copy of the page of the labor peace agreement that contains the signatures of the union representative and the applicant. Maintaining a labor peace agreement shall be an ongoing material condition of a cannabis business license.

(B) Applicants that are party to a labor peace agreement with a bona fide labor organization that currently represents, or is actively seeking to represent cannabis workers in Illinois.

(C) Applicants that submit an attestation affirming that they will use best efforts to use union labor in the construction or retrofit of the facilities associated with their cannabis business.

Section 30-15. Scoring applications.

(a) The Department of Agriculture shall by rule develop a system to score craft grower applications to administratively rank applications based on the clarity, organization and quality of the applicant's responses to required information. Applicants shall be awarded points according based on the following categories:

- (1) Suitability of the proposed facility;
- (2) Proposed staffing and consent to enter a peace labor agreement with employees;
- (3) Security Plan;
- (4) Cultivation Plan;

(5) Product Safety and Labeling Plan;

(6) Business Plan;

(7) The applicant's status as a Social Equity Applicant, which shall constitute no less than 12.5% of total available points;

(8) Bonus points based on the applicant's (i) plan to perform research, (ii) use environmentally friendly practices, and (iii) engage in philanthropic efforts; (iv) the existence of a labor peace agreement; (v) the applicant is 51% or more owned and controlled by an individual or individuals who have been an Illinois resident for the past 5 years as proved by tax records; and

(9) any other criteria the Department of Agriculture may set by rule for points or bonus points.

(b) Should the applicant be awarded a craft grower license, the information and plans that an applicant provided in its application, including any plans submitted for the acquiring of bonus points, shall be a mandatory condition of the permit. Any variation from or failure to perform such plans may result in discipline, including the revocation or nonrenewal of a license.

(c) Should the applicant be awarded a craft grower license, it shall pay a fee of \$100,000 prior to receiving the license, to be deposited into the Cannabis Regulation Fund. The Department of Agriculture may by rule adjust the fee in this Section after January 1, 2021.

1 Section 30-20. Issuance of license to certain persons
2 prohibited.

3 (a) No craft grower license issued by the Department of
4 Agriculture shall be issued to a person who is licensed by any
5 licensing authority as a cultivation center, or to any
6 partnership, corporation, limited liability company, or trust
7 or any subsidiary, affiliate, or any other form of business
8 enterprise having more than 10% legal, equitable, or beneficial
9 interest, directly or indirectly, in a person licensed in this
10 State as a cultivation center, or to any principal officer,
11 agent, employee, human being, with any form of ownership or
12 control over a cultivation center except for a person who owns
13 no more than 5% of the outstanding shares of a cultivation
14 center whose shares are publicly traded on an exchange within
15 the meaning of the Securities Exchange Act of 1934.

16 (b) A person who is licensed in this State as a craft
17 grower, or any partnership, corporation, limited liability
18 company, or trust or any subsidiary, affiliate, or agent
19 thereof, or any other form of business enterprise licensed in
20 this State as a craft grower shall not have more than 10%
21 legal, equitable, or beneficial interest, directly or
22 indirectly, in a person licensed as a cultivation center, nor
23 shall any partnership, corporation, limited liability company,
24 or trust or any subsidiary, affiliate, or any other form of
25 business enterprise having any legal, equitable, or beneficial

1 interest, directly or indirectly, in a person licensed in this
2 State as a craft grower or a craft grower agent be a principal
3 officer, agent, employee, or human being, with any form of
4 ownership or control over a cultivation center except for a
5 person who owns no more than 5% of the outstanding shares of a
6 cultivation center whose shares are publicly traded on an
7 exchange within the meaning of the Securities Exchange Act of
8 1934.

9 Section 30-25. Denial of application. An application for a
10 craft grower license must be denied if any of the following
11 conditions are met:

12 (1) the applicant failed to submit the materials
13 required by this Article;

14 (2) the applicant would not be in compliance with local
15 zoning rules;

16 (3) one or more of the prospective principal officers
17 or board members has been convicted of an excluded offense;

18 (4) one or more of the prospective principal officers,
19 or board members causes a violation of Section 30-20 of
20 this Article;

21 (5) one or more of the principal officers or board
22 members is under 21 years of age;

23 (6) a principal officer or board member of the
24 cultivation center has been convicted of a felony under the
25 laws of this State, any other state, or the United States;

1 (7) a principal officer or board member of the
2 cultivation center has been convicted of any violation of
3 Article 28 of the Criminal Code of 2012, or substantially
4 similar laws of any other jurisdiction;

5 (8) the person has submitted an application for a
6 permit under this Act or this Article that contains false
7 information; or

8 (9) if the licensee; principal officer, board member,
9 or person having a financial or voting interest of 5% or
10 greater in the licensee; or agent is delinquent in filing
11 any required tax returns or paying any amounts owed to the
12 State of Illinois.

13 Section 30-30. Craft grower requirements; prohibitions.

14 (a) The operating documents of a craft grower shall include
15 procedures for the oversight of the craft grower, a cannabis
16 plant monitoring system including a physical inventory
17 recorded weekly, accurate recordkeeping, and a staffing plan.

18 (b) A craft grower shall implement a security plan reviewed
19 by the Department of State Police that includes, but is not
20 limited to: facility access controls, perimeter intrusion
21 detection systems, personnel identification systems, 24-hour
22 surveillance system to monitor the interior and exterior of the
23 craft grower facility and accessible to authorized law
24 enforcement and the Department of Agriculture in real time.

25 (c) All cultivation of cannabis by a craft grower must take

1 place in an enclosed, locked facility at the physical address
2 provided to the Department of Agriculture during the licensing
3 process. The craft grower location shall only be accessed by
4 the agents working for the craft grower, the Department of
5 Agriculture staff performing inspections, the Department of
6 Public Health staff performing inspections, law enforcement or
7 other emergency personnel, contractors working on jobs
8 unrelated to cannabis, such as installing or maintaining
9 security devices or performing electrical wiring, transporting
10 organization agents as provided in this Act, or participants in
11 the incubator program, individuals in a mentoring or
12 educational program approved by the State, or other individuals
13 as provided by rule. However, if a craft grower shares a
14 premises with a processor or dispensing organization, agents
15 from those other licensees may access the craft grower portion
16 of the premises if that is location of common bathrooms,
17 lunchrooms, locker rooms, or other areas of the building where
18 work cultivation of cannabis is not performed. At no time may a
19 processor or dispensing organization agent perform work at a
20 craft grower without being a registered agent of the craft
21 grower.

22 (d) A craft grower may not sell or distribute any cannabis
23 to any person other than a cultivation center, craft grower,
24 processing organization, a dispensing organization, or as
25 otherwise authorized by rule.

26 (e) A craft grower may not be located in an area zoned for

1 residential use.

2 (f) A craft grower may not either directly or indirectly
3 discriminate in price between different cannabis business
4 establishments that are purchasing a like grade, strain, brand,
5 and quality of cannabis or cannabis-infused product. Nothing in
6 this subsection (f) prevents a craft grower from pricing
7 cannabis differently based on differences in the cost of
8 manufacturing or processing, the quantities sold, such s volume
9 discounts, or the way the products are delivered.

10 (g) All cannabis harvested by a craft grower and intended
11 for distribution to a dispensing organization must be entered
12 into a data collection system, packaged and labeled under
13 section (section on package and label section number), and, if
14 distribution is to a dispensing organization that does not
15 share a premises with the dispensing organization receiving the
16 cannabis, placed into a cannabis container for transport. All
17 cannabis harvested by a craft grower and intended for
18 distribution to a cultivation center, or to a processing
19 organization or craft grower with which it does not share a
20 premises, must be packaged in a labeled cannabis container and
21 entered into a data collection system before transport.

22 (h) No person who has been convicted of or pled guilty to
23 an excluded offense may be a craft grower agent.

24 (i) Craft growers are subject to random inspections by the
25 Department of Agriculture and the Department of State Police.

26 (j) A craft grower agent shall notify local law

1 enforcement, the Department of State Police, and the Department
2 of Agriculture within 24 hours of the discovery of any loss or
3 theft. Notification shall be made by phone or in person, or by
4 written or electronic communication.

5 (k) A craft grower shall comply with all State and any
6 applicable federal rules and regulations regarding the use of
7 pesticides on cannabis plants.

8 (l) A craft grower or craft grower agent shall not
9 transport cannabis or cannabis-infused products to any other
10 cannabis business establishment without a transport
11 organization license unless:

12 (i) If the craft grower is located in a county with a
13 population of 3,000,000 or more, the cannabis business
14 establishment receiving the cannabis is within 2,000 ft of
15 the property line of the craft grower;

16 (ii) If the craft grower is located in a county with a
17 population of more than 700,000 but fewer than 3,000,000,
18 the cannabis business establishment receiving the cannabis
19 is within 2 miles of the craft grower; or

20 (iii) If the craft grower is located in a county with a
21 population of fewer the 700,000, the cannabis business
22 establishment receiving the cannabis is within 15 miles of
23 the craft grower.

24 (m) A craft grower may enter into a contract with a
25 transporting organization to transport cannabis to a
26 cultivation center, craft grower, processing organization,

1 dispensing organization, or laboratory.

2 (n) No person or entity shall hold any legal, equitable,
3 ownership, or beneficial interest, directly or indirectly, of
4 more than one craft grower licensed under this Article.
5 Further, no person or entity who is employed by, an agent of,
6 has a contract to receive payment in any form from a craft
7 grower, is a principal officer of a craft grower, or entity
8 controlled by or affiliated with a principal officer of a craft
9 grower shall hold any legal, equitable, ownership, or
10 beneficial interest, directly or indirectly, in a craft grower
11 that would result in the person or entity owning or controlling
12 in combination with any craft grower, principal officer of a
13 craft grower, or entity controlled or affiliated with a
14 principal officer of a craft grower by which he, she, or it is
15 employed, is an agent of, or has a contract to receive payment
16 from, more than one craft grower license.

17 (o) It is unlawful for any person having a craft grower
18 license or any officer, associate, member, representative, or
19 agent of the licensee to offer or deliver money, or anything
20 else of value, directly or indirectly, to any person having an
21 Early Applicant Adult Use Dispensing Organization License, an
22 Adult Use Dispensing Organization License, or a medical
23 cannabis dispensing organization license issued under the
24 Compassionate Use of Medical Cannabis Pilot Program Act, or to
25 any person connected with or in any way representing, or to any
26 member of the family of, the person holding an Early Applicant

1 Adult Use Dispensing Organization License, an Adult Use
2 Dispensing Organization License, or a medical cannabis
3 dispensing organization license issued under the Compassionate
4 Use of Medical Cannabis Pilot Program Act, or to any
5 stockholders in any corporation engaged the retail sales of
6 cannabis, or to any officer, manager, agent or representative
7 of the Early Applicant Adult Use Dispensing Organization
8 License, an Adult Use Dispensing Organization License, or a
9 medical cannabis dispensing organization license issued under
10 the Compassionate Use of Medical Cannabis Pilot Program Act to
11 obtain preferential placement within the dispensing
12 organization, including without limitation on shelves and in
13 display cases where purchasers can view products, or on the
14 dispensing organization's website.

15 (p) Any other requirements or prohibitions set by
16 Department of Agriculture rules.

17 Section 30-35. Craft grower agent identification card.

18 (a) The Department of Agriculture shall:

19 (1) establish by rule the information required in an
20 initial application or renewal application for an agent
21 identification card submitted under this Act and the
22 nonrefundable fee to accompany the initial application or
23 renewal application;

24 (2) verify the information contained in an initial
25 application or renewal application for an agent

identification card submitted under this Act, and approve or deny an application within 30 days of receiving a completed initial application or renewal application and all supporting documentation required by rule;

(3) issue an agent identification card to a qualifying agent within 15 business days of approving the initial application or renewal application;

(4) enter the license number of the craft grower where the agent works; and

(5) allow for an electronic initial application and renewal application process, and provide a confirmation by electronic or other methods that an application has been submitted. Each Department may by rule require prospective agents to file their applications by electronic means and to provide notices to the agents by electronic means.

(b) An agent must keep his or her identification card visible at all times when on the property of a cannabis establishment including the cannabis establishment for which he or she is an agent.

(c) The agent identification cards shall contain the following:

(1) the name of the cardholder;

(2) the date of issuance and expiration date of the identification card;

(3) a random 10-digit alphanumeric identification number containing at least 4 numbers and at least 4 letters

1 that is unique to the holder;

2 (4) a photograph of the cardholder; and

3 (5) the legal name of the cannabis establishment
4 employing the agent.

5 (d) An agent identification card shall be immediately
6 returned to the cannabis establishment of the agent upon
7 termination of his or her employment.

8 (e) Any agent identification card lost by a craft grower
9 agent shall be reported to the Department of State Police and
10 the Department of Agriculture immediately upon discovery of the
11 loss.

12 (f) An applicant for an agent identification card shall be
13 denied if he or she has been convicted of or pled guilty to an
14 excluded offense.

15 Section 30-40. Craft grower background checks.

16 (a) Through the Department of State Police, the licensing
17 or issuing Department shall conduct a background check of the
18 prospective principal officers, board members, and agents of a
19 craft grower applying for a license or identification card
20 under this Act. The Department of State Police shall charge a
21 fee set by rule for conducting the criminal history record
22 check, which shall be deposited into the State Police Services
23 Fund and shall not exceed the actual cost of the record check.
24 In order to carry out this provision, each cannabis
25 establishment prospective principal officer, board member, or

1 agent shall submit a full set of fingerprints to the Department
2 of State Police for the purpose of obtaining a State and
3 federal criminal records check. These fingerprints shall be
4 checked against the fingerprint records now and hereafter, to
5 the extent allowed by law, filed in the Department of State
6 Police and Federal Bureau of Investigation criminal history
7 records databases. The Department of State Police shall
8 furnish, following positive identification, all conviction
9 information to the Department of Agriculture.

10 (b) When applying for the initial license or identification
11 card, the background checks for all prospective principal
12 officers, board members, and agents shall be completed before
13 submitting the application to the licensing or issuing agency.

14 Section 30-45. Renewal of craft grower licenses and agent
15 identification cards.

16 (a) Licenses and identification cards issued under this Act
17 shall be renewed annually. A craft grower shall receive written
18 or electronic notice 90 days before the expiration of its
19 current license that the license will expire. The Department of
20 Agriculture shall grant a renewal within 45 days of submission
21 of a renewal application if:

22 (1) the craft grower submits a renewal application and
23 the required nonrefundable renewal fee of \$40,000, or
24 another amount as the Department of Agriculture may set by
25 rule after January 1, 2021;

1 (2) the Department of Agriculture has not suspended the
2 license of the craft grower or suspended or revoked the
3 license for violating this Act or rules adopted under this
4 Act; and

5 (3) the craft grower has continued to operate in
6 accordance with all plans submitted as part of its
7 application and approved by the Department of Agriculture
8 or any amendments thereto that have been approved by the
9 Department of Agriculture.

10 (b) If a craft grower fails to renew its license before
11 expiration, it shall cease operations until its license is
12 renewed.

13 (c) If a craft grower agent fails to renew his or her
14 identification card before its expiration, he or she shall
15 cease to work as an agent of the cannabis business
16 establishment until his or her identification card is renewed.

17 (d) Any craft grower that continues to operate, or any
18 craft grower agent who continues to work as an agent, after the
19 applicable license or identification card has expired without
20 renewal are subject to the penalties provided under Section
21 45-5.

22 (e) All fees or fines collected from the renewal of a craft
23 grower license shall be deposited into the Cannabis Regulation
24 Fund.

1 PROCESSING ORGANIZATIONS

2 Section 35-5. Issuance of licenses.

3 (a) The Department of Agriculture shall issue up to 40
4 processor licenses through a process provided for in this
5 Article no later than July 1, 2020.

6 (b) The Department of Agriculture shall make the
7 application for processor licenses available on January 7,
8 2020, or if that date falls on a weekend or holiday, the
9 business day immediately succeeding the weekend or holiday and
10 every January 7 or succeeding business day thereafter, and
11 shall receive such applications no later than March 15, 2020,
12 or, if that falls on a weekend or holiday, every March 15 or
13 succeeding business day thereafter.

14 (c) By December 21, 2021, the Department of Agriculture may
15 issue up to 60 additional processor licenses. Prior to issuing
16 such licenses, the Department may adopt rules through emergency
17 rulemaking in accordance with subsection (gg) of Section 5-45
18 of the Illinois Administrative Procedure Act, to modify or
19 raise the number of processor licenses assigned to each region
20 and modify or change the licensing application process to
21 reduce or eliminate barriers. The General Assembly finds that
22 the adoption of rules to regulate cannabis use is deemed an
23 emergency and necessary for the public interest, safety and
24 welfare.

25 In determining whether to exercise either authority

1 granted by this subsection, the Department of Agriculture must
2 consider the following factors:

3 (1) the percentage of cannabis sales occurring in
4 Illinois not in the regulated market using data from the
5 substance abuse and Mental Health Services Administration,
6 National Survey on Drug Use and Health, Illinois Behavioral
7 Risk Factor Surveillance System, and tourism data from the
8 Illinois Office of Tourism to ascertain total cannabis
9 consumption in Illinois compared to the amount of sales in
10 licensed dispensing organizations;

11 (2) whether there is an adequate supply of cannabis and
12 cannabis-infused products to serve registered medical
13 cannabis patients;

14 (3) whether there is an adequate supply of cannabis and
15 cannabis-infused products to serve purchasers:

16 (4) whether there is an oversupply of cannabis in
17 Illinois leading to trafficking of cannabis to states where
18 the sale of cannabis is not permitted by law;

19 (5) population increases or shifts;

20 (6) changes to federal law;

21 (7) perceived security risks of increasing the number
22 or location of cultivation centers;

23 (8) the past security records of cultivation centers;

24 (9) the Department of Agriculture's capacity to
25 appropriately regulate additional licenses;

26 (10) the findings and recommendations from the

1 disparity and availability study commissioned by the
2 Illinois Cannabis Regulation Oversight Officer to reduce
3 or eliminate any identified barriers to entry in the
4 cannabis industry; and

5 (11) any other criteria the Department of Agriculture
6 deems relevant.

7 (c) After January 1, 2022, the Department of Financial and
8 Professional Regulation may by rules modify or raise the number
9 of craft grower licenses assigned to each region, and modify or
10 change the licensing application process to reduce or eliminate
11 barriers based on the criteria in subsection (b).

12 Section 35-10. Application.

13 (a) When applying for a license, the applicant shall
14 electronically submit the following in such form as the
15 Department of Agriculture may direct:

16 (1) the nonrefundable application fee of \$5,000 or,
17 after January 1, 2021, another amount as set by rule by the
18 Department of Agriculture, to be deposited into the
19 Cannabis Regulation Fund;

20 (2) the legal name of the processor;

21 (3) the proposed physical address of the processor;

22 (4) the name, address, social security number, and date
23 of birth of each principal officer and board member of the
24 processor; each principal officer and board member shall be
25 at least 21 years of age;

1 (5) the details of any administrative or judicial
2 proceeding in which any of the principal officers or board
3 members of the processor (i) pled guilty, were convicted,
4 fined, or had a registration or license suspended or
5 revoked, or (ii) managed or served on the board of a
6 business or non-profit organization that pled guilty, was
7 convicted, fined, or had a registration or license
8 suspended or revoked;

9 (6) proposed operating bylaws that include procedures
10 for the oversight of the processor, including the
11 development and implementation of a plant monitoring
12 system, accurate recordkeeping, staffing plan, and security
13 plan approved by the Department of State Police that are in
14 accordance with the rules issued by the Department of
15 Agriculture under this Act. A physical inventory shall be
16 performed of all cannabis on a weekly basis by the
17 processor;

18 (7) verification from the Department of State Police
19 that all background checks of the prospective principal
20 officers, board members, and agents of the cannabis
21 business establishment have been conducted and those
22 persons have not been convicted of an excluded offense;

23 (8) a copy of the current local zoning ordinance and
24 verification that the proposed processor is in compliance
25 with the local zoning rules and distance limitations
26 established by the local jurisdiction;

1 (9) proposed employment practices, in which the
2 applicant must demonstrate a plan of action to inform,
3 hire, and educate minorities, women, veterans, and persons
4 with disabilities and engage in fair labor practices and
5 provide worker protections;

6 (10) whether an applicant can demonstrate experience
7 in or business practices that promote economic empowerment
8 in Disproportionately Impacted Areas;

9 (11) experience with the extraction, processing, or
10 infusing, of oils similar to those derived from cannabis,
11 or other business practices to be performed by the
12 processor;

13 (12) whether the applicant consents to a labor peace
14 agreement. The applicant may attest that the applicant has
15 entered into a labor peace agreement and will abide by the
16 terms of the agreement. The applicant may submit a copy of
17 the page of the labor peace agreement that contains the
18 signatures of the union representative and the applicant;

19 (13) a description of the enclosed, locked facility
20 where cannabis will be processed, packaged, or otherwise
21 prepared for distribution to a dispensing organization or
22 other processor;

23 (14) processing, inventory, and packaging plans;

24 (15) a description of the applicant's experience with
25 manufacturing equipment and chemicals to be used in
26 processing;

1 (16) a list of any academic degrees, certifications, or
2 relevant experience of all prospective principal officers,
3 board members, and agents with related businesses;

4 (17) the identity of every person having a financial or
5 voting interest of 5% or greater in the processor operation
6 with respect to which the license is sought, whether a
7 trust, corporation, partnership, limited liability
8 company, or sole proprietorship, including the name and
9 address of each person;

10 (18) a plan describing how the processor will address
11 each of the following:

12 (i) energy needs, including estimates of monthly
13 electricity and gas usage, to what extent it will
14 procure energy from a local utility or from on-site
15 generation, and if it has or will adopt a sustainable
16 energy use and energy conservation policy;

17 (ii) water needs, including estimated water draw
18 and if it has or will adopt a sustainable water use and
19 water conservation policy; and

20 (iii) waste management, including if it has or will
21 adopt a waste reduction policy; and

22 (19) any other information required by rule.

23 (b) Applicants must submit all required information,
24 including that required in Section 35-20 to the Department of
25 Agriculture. Failure by an applicant to submit all required
26 information may result in the application being disqualified.

1 (c) If the Department of Agriculture receives an
2 application with missing information, the Department of
3 Agriculture may issue a deficiency notice to the applicant. The
4 applicant shall have 10 calendar days from the date of the
5 deficiency notice to resubmit the incomplete information.
6 Applications that are still incomplete after this opportunity
7 to cure, will not be scored and will be disqualified.

8 Section 35-15. Issuing licenses.

9 (a) The Department of Agriculture shall by rule develop a
10 system to score processor applications to administratively
11 rank applications based on the clarity, organization and
12 quality of the applicant's responses to required information.
13 Applicants shall be awarded points according based on the
14 following categories:

- 15 (1) Suitability of the proposed facility;
- 16 (2) Proposed staffing;
- 17 (3) Security plan;
- 18 (4) Processing plan;
- 19 (5) Expertise in relevant scientific fields;
- 20 (6) Product safety and labeling plan;
- 21 (7) Business plan;
- 22 (8) The applicant's status as a Social Equity
23 Applicant, which shall constitute no less than 12.5% of
24 total available points;
- 25 (9) Bonus points based on the applicant's (i) plan to

1 perform research, (ii) use environmentally friendly
2 practices, and (iii) engage in philanthropic efforts; (iv)
3 the existence of a labor peace agreement; (v) the applicant
4 is 51% or more owned and controlled by an individual or
5 individuals who have been an Illinois resident for the past
6 5 years as proved by tax records;

7 (10) Bonus points for a recycling and waste disposal
8 plan that includes:

9 (A) A commitment that any recyclable waste
10 generated by the processor shall be recycled per
11 applicable State and local laws, ordinances, and
12 rules.

13 (B) A commitment that any cannabis waste, liquid
14 waste, or hazardous waste shall be disposed of in
15 accordance with 8 Ill. Adm. Code 1000.460, except, to
16 the greatest extent feasible, all cannabis plant waste
17 will be rendered unusable by grinding and
18 incorporating the cannabis plant waste with
19 compostable mixed waste to be disposed of in accordance
20 with 8 Ill. Adm. Code 1000.460(g)(1).

21 (C) A commitment to comply with local waste
22 provisions. A processor commits to remain in
23 compliance with applicable State and federal
24 environmental requirements, including, but not limited
25 to:

26 (i) storing, securing, and managing all

1 recyclables and waste, including organic waste
2 composed of or containing finished cannabis and
3 cannabis products, in accordance with applicable
4 State and local laws, ordinances, and rules; and

5 (ii) Disposing liquid waste containing
6 cannabis or byproducts of cannabis processing in
7 compliance with all applicable State and federal
8 requirements, including, but not limited to, the
9 cannabis cultivation facility's permits under
10 Title X of the Environmental Protection Act; and

11 (11) any other criteria the Department of Agriculture
12 may set by rule for points or bonus points.

13 (b) The Department of Agriculture shall make the
14 application for processor licenses available on February 1,
15 2020, or, if that date falls on a weekend or holiday, the
16 business day immediately succeeding the weekend or holiday and
17 every February 1 or succeeding business day thereafter, and
18 shall receive such applications no later than March 31, 2020,
19 or, if that falls on a weekend or holiday, every March 31 or
20 succeeding business day thereafter.

21 (c) Applicants for processor licenses that score at least
22 85% of available points according to the system developed by
23 rule and who meet all other requirements for a processor
24 license, shall be issued a license by the Department of
25 Agriculture within 60 days of receiving the application.

26 (d) Should the applicant be awarded a processor license,

1 the information and plans that an applicant provided in its
2 application, including any plans submitted for the acquiring of
3 bonus points, becomes a mandatory condition of the permit. Any
4 variation from or failure to perform such plans may result in
5 discipline, including the revocation or nonrenewal of a
6 license.

7 (e) Should the applicant be awarded a processor
8 organization license, it shall pay a fee of \$20,000 prior to
9 receiving the license, to be deposited into the Cannabis
10 Regulation Fund. The Department of Agriculture may by rule
11 adjust the fee in this Section after January 1, 2021.

12 Section 35-20. Denial of application. An application for a
13 processor license must be denied if any of the following
14 conditions are met:

15 (1) the applicant failed to submit the materials
16 required by this Article;

17 (2) the applicant would not be in compliance with local
18 zoning rules or permit requirements;

19 (3) one or more of the prospective principal officers
20 or board members has been convicted of an excluded offense;

21 (4) one or more of the prospective principal officers,
22 or board members causes a violation of Section 35-25.

23 (5) one or more of the principal officers or board
24 members is under 21 years of age;

25 (6) a principal officer or board member of the

1 processor has been convicted of a felony under the laws of
2 this State, any other state, or the United States;

3 (7) a principal officer or board member of the
4 processor has been convicted of any violation of Article 28
5 of the Criminal Code of 2012, or substantially similar laws
6 of any other jurisdiction;

7 (8) the person has submitted an application for a
8 permit under this Act or this Article that contains false
9 information; or

10 (9) if the licensee; principal officer, board member,
11 or person having a financial or voting interest of 5% or
12 greater in the licensee; or agent is delinquent in filing
13 any required tax returns or paying any amounts owed to the
14 State of Illinois.

15 Section 35-25. Processing organization requirements;
16 prohibitions.

17 (a) The operating documents of a processor shall include
18 procedures for the oversight of the processor, an inventory
19 monitoring system including a physical inventory recorded
20 weekly, accurate recordkeeping, and a staffing plan.

21 (b) A processor shall implement a security plan reviewed by
22 the Department of State Police that includes, but is not
23 limited to: facility access controls, perimeter intrusion
24 detection systems, personnel identification systems, 24-hour
25 surveillance system to monitor the interior and exterior of the

1 processor facility and accessible to authorized law
2 enforcement, the Department of Public Health where processing
3 takes place, and the Department of Agriculture in real time.

4 (c) All processing of cannabis by a processor must take
5 place in an enclosed, locked facility at the physical address
6 provided to the Department of Agriculture during the licensing
7 process. The processor location shall only be accessed by the
8 agents working for the processor, the Department of Agriculture
9 staff performing inspections, the Department of Public Health
10 staff performing inspections, law enforcement or other
11 emergency personnel, contractors working on jobs unrelated to
12 cannabis, such as installing or maintaining security devices or
13 performing electrical wiring, transporting organization agents
14 as provided in this Act, or participants in the incubator
15 program, individuals in a mentoring or educational program
16 approved by the State, or other individuals as provided by
17 rule. However, if a processor shares a premises with a craft
18 grower or dispensing organization, agents from these other
19 licensees may access the processor portion of the premises if
20 that is the location of common bathrooms, lunchrooms, locker
21 rooms, or other areas of the building where processing of
22 cannabis is not performed. At no time may a craft grower or
23 dispensing organization agent perform work at a processor
24 without being a registered agent of the processor.

25 (d) A processor may not sell or distribute any cannabis to
26 any person other than a cultivation center, craft grower,

1 processing organization, a dispensing organization, or as
2 otherwise authorized by rule.

3 (e) A processor may not either directly or indirectly
4 discriminate in price between different cannabis business
5 establishments that are purchasing a like grade, strain, brand,
6 and quality of cannabis or cannabis-infused product. Nothing in
7 this subsection (e) prevents a processor from pricing cannabis
8 differently based on differences in the cost of manufacturing
9 or processing, the quantities sold, such volume discounts, or
10 the way the products are delivered.

11 (f) All cannabis processed by a processor and intended for
12 distribution to a dispensing organization must be entered into
13 a data collection system, packaged and labeled under section
14 (section on package and label section number), and, if
15 distribution is to a dispensing organization that does not
16 share a premises with the processor, placed into a cannabis
17 container for transport. All cannabis produced by a processor
18 and intended for distribution to a cultivation center,
19 processing organization or craft grower with which it does not
20 share a premises, must be packaged in a labeled cannabis
21 container and entered into a data collection system before
22 transport.

23 (g) No person who has been convicted of or pled guilty to
24 an excluded offense may be a processor agent.

25 (h) Processors are subject to random inspections by the
26 Department of Agriculture, the Department of Public Health, and

1 the Department of State Police.

2 (i) A processor agent shall notify local law enforcement,
3 the Department of State Police, and the Department of
4 Agriculture within 24 hours of the discovery of any loss or
5 theft. Notification shall be made by phone or in person, or by
6 written or electronic communication.

7 (j) A processor organization may not be located in an area
8 zoned for residential use.

9 (k) A processor or processor agent shall not transport
10 cannabis or cannabis-infused products to any other cannabis
11 business establishment without a transport organization
12 license unless:

13 (i) If the craft grower is located in a county with a
14 population of 3,000,000 or more, the cannabis business
15 establishment receiving the cannabis is within 2,000 ft of
16 the property line of the processor;

17 (ii) If the craft grower is located in a county with a
18 population of more than 700,000 but fewer than 3,000,000,
19 the cannabis business establishment receiving the cannabis
20 is within 2 miles of the processor; or

21 (iii) If the craft grower is located in a county with a
22 population of fewer than 700,000, the cannabis business
23 establishment receiving the cannabis is within 15 miles of
24 the processor.

25 (l) A processor may enter into a contract with a
26 transporting organization to transport cannabis to a

1 cultivation center, craft grower, processing organization,
2 dispensing organization, or laboratory.

3 (m) A processing organization may share premises with a
4 craft grower or a dispensing organization, or both, provided
5 each licensee stores currency and cannabis or cannabis-infused
6 products in a separate secured vault to which the other
7 licensee does not have access or all licensees sharing a vault
8 share more than 50% of the same ownership.

9 (n) It is unlawful for any person having a processing
10 organization license or any officer, associate, member,
11 representative or agent of such licensee to offer or deliver
12 money, or anything else of value, directly or indirectly to any
13 person having an Early Applicant Adult Use Dispensing
14 Organization License, an Adult Use Dispensing Organization
15 License, or a medical cannabis dispensing organization license
16 issued under the Compassionate Use of Medical Cannabis Pilot
17 Program Act, or to any person connected with or in any way
18 representing, or to any member of the family of, such person
19 holding an Early Applicant Adult Use Dispensing Organization
20 License, an Adult Use Dispensing Organization License, or a
21 medical cannabis dispensing organization license issued under
22 the Compassionate Use of Medical Cannabis Pilot Program Act, or
23 to any stockholders in any corporation engaged the retail sales
24 of cannabis, or to any officer, manager, agent or
25 representative of said Early Applicant Adult Use Dispensing
26 Organization License, an Adult Use Dispensing Organization

1 License, or a medical cannabis dispensing organization license
2 issued under the Compassionate Use of Medical Cannabis Pilot
3 Program Act to obtain preferential placement within the
4 dispensing organization, including without limitation on
5 shelves and in display cases where purchasers can view
6 products, or on the dispensing organization's website.

7 Section 35-30. Processor agent identification card.

8 (a) The Department of Agriculture shall:

9 (1) establish by rule the information required in an
10 initial application or renewal application for an agent
11 identification card submitted under this Act and the
12 nonrefundable fee to accompany the initial application or
13 renewal application;

14 (2) verify the information contained in an initial
15 application or renewal application for an agent
16 identification card submitted under this Act, and approve
17 or deny an application within 30 days of receiving a
18 completed initial application or renewal application and
19 all supporting documentation required by rule;

20 (3) issue an agent identification card to a qualifying
21 agent within 15 business days of approving the initial
22 application or renewal application;

23 (4) enter the license number of the processor where the
24 agent works; and

25 (5) allow for an electronic initial application and

1 renewal application process, and provide a confirmation by
2 electronic or other methods that an application has been
3 submitted. Each Department may by rule require prospective
4 agents to file their applications by electronic means and
5 to provide notices to the agents by electronic means.

6 (b) An agent must keep his or her identification card
7 visible at all times when on the property of a cannabis
8 establishment including the cannabis business establishment
9 for which he or she is an agent.

10 (c) The agent identification cards shall contain the
11 following:

- 12 (1) the name of the cardholder;
- 13 (2) the date of issuance and expiration date of the
14 identification card;
- 15 (3) a random 10-digit alphanumeric identification
16 number containing at least 4 numbers and at least 4 letters
17 that is unique to the holder;
- 18 (4) a photograph of the cardholder; and
- 19 (5) the legal name of the cannabis business
20 establishment employing the agent.

21 (d) An agent identification card shall be immediately
22 returned to the cannabis business establishment of the agent
23 upon termination of his or her employment.

24 (e) Any agent identification card lost by processor agent
25 shall be reported to the Department of State Police and the
26 Department of Agriculture immediately upon discovery of the

1 loss.

2 (f) An applicant for an agent identification card shall be
3 denied if he or she has been convicted of or pled guilty to an
4 excluded offense.

5 Section 35-35. Processing organization background checks.

6 (a) Through the Department of State Police, the licensing
7 or issuing Department shall conduct a background check of the
8 prospective principal officers, board members, and agents of a
9 processor applying for a license or identification card under
10 this Act. The Department of State Police shall charge a fee set
11 by rule for conducting the criminal history record check, which
12 shall be deposited into the State Police Services Fund and
13 shall not exceed the actual cost of the record check. In order
14 to carry out this provision, each cannabis establishment
15 prospective principal officer, board member, or agent shall
16 submit a full set of fingerprints to the Department of State
17 Police for the purpose of obtaining a State and federal
18 criminal records check. These fingerprints shall be checked
19 against the fingerprint records now and hereafter, to the
20 extent allowed by law, filed in the Department of State Police
21 and Federal Bureau of Investigation criminal history records
22 databases. The Department of State Police shall furnish,
23 following positive identification, all conviction information
24 to the Department of Agriculture:

25 (b) When applying for the initial license or identification

1 card, the background checks for all prospective principal
2 officers, board members, and agents shall be completed before
3 submitting the application to the licensing or issuing agency.

4 Section 35-40. Renewal of processing organization licenses
5 and agent identification cards.

6 (a) Licenses and identification cards issued under this Act
7 shall be renewed annually. A processing organization shall
8 receive written or electronic notice 90 days before the
9 expiration of its current license that the license will expire.
10 The Department of Agriculture shall grant a renewal within 45
11 days of submission of a renewal application if:

12 (1) the processing organization submits a renewal
13 application and the required nonrefundable renewal fee of
14 \$20,000, or, after January 1, 2021, another amount set by
15 rule by the Department of Agriculture, to be deposited into
16 the Cannabis Regulation Fund;

17 (2) the Department of Agriculture has not suspended the
18 license of the processing organization or suspended or
19 revoked the license for violating this Act or rules adopted
20 under this Act; and

21 (3) the processing organization has continued to
22 operate in accordance with all plans submitted as part of
23 its application and approved by the Department of
24 Agriculture or any amendments thereto that have been
25 approved by the Department of Agriculture.

(b) If a processing organization fails to renew its license before expiration, it shall cease operations until its license is renewed.

(c) If a processing organization agent fails to renew his or her identification card before its expiration, he or she shall cease to work as an agent of the cannabis business establishment until his or her identification card is renewed.

(d) Any processing organization that continues to operate, or any processing organization agent who continues to work as an agent, after the applicable license or identification card has expired without renewal are subject to the penalties provided under Section 35-25.

(e) The Department shall not renew a license or an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

ARTICLE 40.

TRANSPORTING ORGANIZATIONS

Section 40-5. Issuance of licenses.

(a) The Department of Agriculture shall issue transporting licenses through a process provided for in this Article no later than July 1, 2020.

(b) The Department of Agriculture shall make the application for transporting organization licenses available

1 on January 7, 2020, and shall receive such applications no
2 later than March 15, 2010. Thereafter, the Department of
3 Agriculture shall make available such applications on every
4 January 7 hereafter or if that date falls on a weekend or
5 holiday, the business day immediately succeeding the weekend or
6 holiday and shall receive such applications no later than March
7 31 or succeeding business day thereafter.

8 Section 40-10. Application.

9 (a) When applying for a transporting organization license,
10 the applicant shall electronically submit the following in such
11 form as the Department of Agriculture may direct:

12 (1) the nonrefundable application fee of \$5,000 or,
13 after January 1, 2021, another amount as set by rule by the
14 Department of Agriculture, to be deposited into the
15 Cannabis Regulation Fund;

16 (2) the legal name of the transporting organization;

17 (3) the proposed physical address of the transporting
18 organization, if one is proposed;

19 (4) the name, address, social security number, and date
20 of birth of each principal officer and board member of the
21 transporting organization; each principal officer and
22 board member shall be at least 21 years of age;

23 (5) the details of any administrative or judicial
24 proceeding in which any of the principal officers or board
25 members of the transporting organization (i) pled guilty,

were convicted, fined, or had a registration or license suspended or revoked, or (ii) managed or served on the board of a business or non-profit organization that pled guilty, was convicted, fined, or had a registration or license suspended or revoked;

(6) proposed operating bylaws that include procedures for the oversight of the transporting organization, including the development and implementation of an accurate recordkeeping plan, staffing plan, and security plan approved by the Department of State Police that are in accordance with the rules issued by the Department of Agriculture under this Act. A physical inventory shall be performed of all cannabis on a weekly basis by the transporting organization;

(7) verification from the Department of State Police that all background checks of the prospective principal officers, board members, and agents of the transporting organization have been conducted and those persons have not been convicted of an excluded offense;

(8) a copy of the current local zoning ordinance or permit and verification that the proposed transporting organization is in compliance with the local zoning rules and distance limitations established by the local jurisdiction, if the transporting organization has a business address;

(9) proposed employment practices, in which the

1 applicant must demonstrate a plan of action to inform,
2 hire, and educate minorities, women, veterans, and persons
3 with disabilities and engage in fair labor practices and
4 provide worker protections;

5 (10) whether an applicant can demonstrate experience
6 in or business practices that promote economic empowerment
7 in Disproportionately Impacted Areas;

8 (11) the number and type of equipment the transporting
9 organization will use to transport cannabis and
10 cannabis-infused products;

11 (12) whether the applicant consents to a labor peace
12 agreement. The applicant may attest that the applicant has
13 entered into a labor peace agreement and will abide by the
14 terms of the agreement. The applicant may submit a copy of
15 the page of the labor peace agreement that contains the
16 signatures of the union representative and the applicant;

17 (13) loading, transporting, and unloading plans;

18 (14) a description of the applicant's experience in the
19 distribution or security business;

20 (15) the identity of every person having a financial or
21 voting interest of 5% or greater in the transporting
22 organization with respect to which the license is sought,
23 whether a trust, corporation, partnership, limited
24 liability company, or sole proprietorship, including the
25 name and address of each person; and

26 (20) any other information required by rule.

1 (b) The Department of Agriculture shall make the
2 application for transporting organization licenses available
3 on February 1, 2020, or, if that date falls on a weekend or
4 holiday, the business day immediately succeeding the weekend or
5 holiday and every February 1 or succeeding business day
6 thereafter, and shall receive such applications no later than
7 March 31, 2020, or, if that falls on a weekend or holiday,
8 every March 31 or succeeding business day thereafter.

9 (c) Applicants must submit all required information,
10 including that required in Section 40-35 to the Department of
11 Agriculture. Failure by an applicant to submit all required
12 information may result in the application being disqualified.

13 (d) If the Department of Agriculture receives an
14 application with missing information, the Department of
15 Agriculture may issue a deficiency notice to the applicant. The
16 applicant shall have 10 calendar days from the date of the
17 deficiency notice to resubmit the incomplete information.
18 Applications that are still incomplete after this opportunity
19 to cure, will not be scored and will be disqualified.

20 Section 40-15. Issuing licenses.

21 (a) The Department of Agriculture shall by rule develop a
22 system to score processor applications to administratively
23 rank applications based on the clarity, organization, and
24 quality of the applicant's responses to required information.
25 Applicants shall be awarded points according based on the

1 following categories:

2 (1) Suitability of the proposed facility;

3 (2) Proposed staffing;

4 (3) Security plan;

5 (4) Training plan;

6 (5) Business plan;

7 (6) The applicant's status as a Social Equity
8 Applicant, which shall constitute no less than 12.5% of
9 total available points;

10 (7) Bonus points based on the applicant's plan to (i)
11 perform research, (ii) use environmentally friendly
12 practices, and (iii) engage in philanthropic efforts; (iv)
13 the existence of a labor peace agreement; (v) the applicant
14 is 51% or more owned and controlled by an individual or
15 individuals who have been an Illinois resident for the past
16 5 years as proved by tax records; and

17 (8) Any other criteria the Department of Agriculture
18 may set by rule for points or bonus points.

19 (b) Applicants for transportation organization licenses
20 that score at least 85% of available points according to the
21 system developed by rule and who meet all other requirements
22 for a processor license, shall be issued a license by the
23 Department of Agriculture within 60 days of receiving the
24 application.

25 (c) Should the applicant be awarded a transportation
26 organization license, the information and plans that an

1 applicant provided in its application, including any plans
2 submitted for the acquiring of bonus points, shall be a
3 mandatory condition of the permit. Any variation from or
4 failure to perform such plans may result in discipline,
5 including the revocation or nonrenewal of a license.

6 (d) Should the applicant be awarded a transporting
7 organization license, it shall pay a fee of \$10,000 prior to
8 receiving the license, to be deposited into the Cannabis
9 Regulation Fund. The Department of Agriculture may by rule
10 adjust the fee in this Section after January 1, 2021.

11 Section 40-20. Denial of application. An application for a
12 transportation organization license must be denied if any of
13 the following conditions are met:

14 (1) the applicant failed to submit the materials
15 required by this Article;

16 (2) the applicant would not be in compliance with local
17 zoning rules or permit requirements;

18 (3) one or more of the prospective principal officers
19 or board members has been convicted of an excluded offense;

20 (4) one or more of the prospective principal officers,
21 or board members causes a violation of Section 40-25;

22 (5) one or more of the principal officers or board
23 members is under 21 years of age;

24 (6) a principal officer or board member of the
25 transportation organization has been convicted of a felony

1 under the laws of this State, any other state, or the
2 United States;

3 (7) a principal officer or board member of the
4 processor has been convicted of any violation of Article 28
5 of the Criminal Code of 2012, or substantially similar laws
6 of any other jurisdiction;

7 (8) the person has submitted an application for a
8 permit under this Act that contains false information; or

9 (9) the licensee; principal officer, board member, or
10 person having a financial or voting interest of 5% or
11 greater in the licensee is delinquent in filing any
12 required tax returns or paying any amounts owed to the
13 State of Illinois.

14 Section 40-25. Transporting organization requirements;
15 prohibitions.

16 (a) The operating documents of a transporting organization
17 shall include procedures for the oversight of the processor, an
18 inventory monitoring system including a physical inventory
19 recorded weekly, accurate recordkeeping, and a staffing plan.

20 (b) A transporting organization shall implement a security
21 plan reviewed by the Department of State Police that includes,
22 but is not limited to: route selection plan, stranded vehicle
23 situations, vehicular hijacking, communication with the
24 recipient of deliveries, hiring, and any other security
25 concerns.

1 (c) A transporting organization may not transport cannabis
2 to any person other than a cultivation center, a craft grower,
3 a processing organization, a dispensing organization, a
4 testing facility, or as otherwise authorized by rule.

5 (d) All cannabis transported by a transporting
6 organization must be entered into a data collection system and
7 placed into a cannabis container for transport.

8 (e) No person who has been convicted of or pled guilty to
9 an excluded offense may be a processor agent.

10 (f) Processors are subject to random inspections by the
11 Department of Agriculture, the Department of Public Health, and
12 the Department of State Police.

13 (g) A transporting organization agent shall notify local
14 law enforcement, the Department of State Police, and the
15 Department of Agriculture within 24 hours of the discovery of
16 any loss or theft. Notification shall be made by phone or in
17 person, or by written or electronic communication.

18 (h) No person under the age of 21 years old shall be in a
19 commercial vehicle or trailer transporting cannabis goods.

20 (i) No person or individual who is not a transporting
21 organization agent shall be in a vehicle while transporting
22 cannabis goods.

23 (j) Transporters may not use commercial motor vehicles with
24 a weight rating of over 10,000 pounds.

25 (k) It is unlawful for any person to offer or deliver
26 money, or anything else of value, directly or indirectly, to

1 any of the following persons to obtain preferential placement
2 within the dispensing organization, including without
3 limitation on shelves and in display cases where purchasers can
4 view products, or on the dispensing organization's website:

5 (1) a person having a transporting organization
6 license or any officer, associate, member, representative,
7 or agent of the licensee;

8 (2) a person having an Early Applicant Adult Use
9 Dispensing Organization License, an Adult Use Dispensing
10 Organization License, or a medical cannabis dispensing
11 organization license issued under the Compassionate Use of
12 Medical Cannabis Pilot Program Act;

13 (3) a person connected with or in any way representing,
14 or a member of the family of, a person holding an Early
15 Applicant Adult Use Dispensing Organization License, an
16 Adult Use Dispensing Organization License, or a medical
17 cannabis dispensing organization license issued under the
18 Compassionate Use of Medical Cannabis Pilot Program Act; or

19 (4) a stockholder, officer, manager, agent, or
20 representative of a corporation engaged the retail sales of
21 cannabis, an Early Applicant Adult Use Dispensing
22 Organization License, an Adult Use Dispensing Organization
23 License, or a medical cannabis dispensing organization
24 license issued under the Compassionate Use of Medical
25 Cannabis Pilot Program Act.

26 (1) A transportation organization agent must keep his or

1 her identification card visible at all times when on the
2 property of a cannabis business establishment and during the
3 transportation of cannabis when acting under his or her duties
4 as a transportation organization agent. During these times, the
5 cultivation center agent must also provide the identification
6 card upon request of any law enforcement officer engaged in his
7 or her official duties.

8 (k) A copy of the transporting organization's registration
9 and a manifest for the delivery shall be present in any vehicle
10 transporting cannabis.

11 (l) Cannabis shall be transported so it is not visible or
12 recognizable from outside the vehicle.

13 (m) A vehicle transporting cannabis must not bear any
14 markings to indicate the vehicle contains cannabis or bear the
15 name or logo of the cannabis business establishment.

16 (n) Cannabis must be transported in an enclosed, locked
17 storage compartment that is secured or affixed to the vehicle.

18 (o) The Department of Agriculture may, by rule, impose any
19 other requirements or prohibitions on the transportation of
20 cannabis.

21 Section 40-30. Transporting agent identification card.

22 (a) The Department of Agriculture shall:

23 (1) establish by rule the information required in an
24 initial application or renewal application for an agent
25 identification card submitted under this Act and the

1 nonrefundable fee to accompany the initial application or
2 renewal application;

3 (2) verify the information contained in an initial
4 application or renewal application for an agent
5 identification card submitted under this Act, and approve
6 or deny an application within 30 days of receiving a
7 completed initial application or renewal application and
8 all supporting documentation required by rule;

9 (3) issue an agent identification card to a qualifying
10 agent within 15 business days of approving the initial
11 application or renewal application;

12 (4) enter the license number of the transporting
13 organization where the agent works; and

14 (5) allow for an electronic initial application and
15 renewal application process, and provide a confirmation by
16 electronic or other methods that an application has been
17 submitted. Each Department may by rule require prospective
18 agents to file their applications by electronic means and
19 to provide notices to the agents by electronic means.

20 (b) An agent must keep his or her identification card
21 visible at all times when on the property of a cannabis
22 business establishment including the cannabis business
23 establishment for which he or she is an agent.

24 (c) The agent identification cards shall contain the
25 following:

26 (1) the name of the cardholder;

1 (2) the date of issuance and expiration date of the
2 identification card;

3 (3) a random 10-digit alphanumeric identification
4 number containing at least 4 numbers and at least 4 letters
5 that is unique to the holder;

6 (4) a photograph of the cardholder; and

7 (5) the legal name of the cannabis business
8 establishment employing the agent.

9 (d) An agent identification card shall be immediately
10 returned to the cannabis business establishment of the agent
11 upon termination of his or her employment.

12 (e) Any agent identification card lost by processor agent
13 shall be reported to the Department of State Police and the
14 Department of Agriculture immediately upon discovery of the
15 loss.

16 (f) An applicant for an agent identification card shall be
17 denied if he or she has been convicted of or pled guilty to an
18 excluded offense.

19 (g) An application for an agent identification card shall
20 be denied if the applicant is delinquent in filing any required
21 tax returns or paying any amounts owed to the State of
22 Illinois.

23 Section 40-35. Transporting organization background
24 checks.

25 (a) Through the Department of State Police, the licensing

1 or issuing Department shall conduct a background check of the
2 prospective principal officers, board members, and agents of a
3 processor applying for a license or identification card under
4 this Act. The Department of State Police shall charge a fee set
5 by rule for conducting the criminal history record check, which
6 shall be deposited into the State Police Services Fund and
7 shall not exceed the actual cost of the record check. In order
8 to carry out this provision, each cannabis establishment
9 prospective principal officer, board member, or agent shall
10 submit a full set of fingerprints to the Department of State
11 Police for the purpose of obtaining a State and federal
12 criminal records check. These fingerprints shall be checked
13 against the fingerprint records now and hereafter, to the
14 extent allowed by law, filed in the Department of State Police
15 and Federal Bureau of Investigation criminal history records
16 databases. The Department of State Police shall furnish,
17 following positive identification, all conviction information
18 to the Department of Agriculture:

19 (b) When applying for the initial license or identification
20 card, the background checks for all prospective principal
21 officers, board members, and agents shall be completed before
22 submitting the application to the licensing or issuing agency.

23 Section 40-40. Renewal of transporting organization
24 licenses and agent identification cards.

25 (a) Licenses and identification cards issued under this Act

1 shall be renewed annually. A transporting organization shall
2 receive written or electronic notice 90 days before the
3 expiration of its current license that the license will expire.
4 The Department of Agriculture shall grant a renewal within 45
5 days of submission of a renewal application if:

6 (1) the transporting organization submits a renewal
7 application and the required nonrefundable renewal fee of
8 \$10,000, or after January 1, 2021, another amount set by
9 rule by the Department of Agriculture, to be deposited into
10 the Cannabis Regulation Fund;

11 (2) the Department of Agriculture has not suspended the
12 license of the transporting organization or suspended or
13 revoked the license for violating this Act or rules adopted
14 under this Act; and

15 (3) the transporting organization has continued to
16 operate in accordance with all plans submitted as part of
17 its application and approved by the Department of
18 Agriculture or any amendments thereto that have been
19 approved by the Department of Agriculture.

20 (b) If a transporting organization fails to renew its
21 license before expiration, it shall cease operations until its
22 license is renewed.

23 (c) If a transporting organization agent fails to renew his
24 or her identification card before its expiration, he or she
25 shall cease to work as an agent of the cannabis business
26 establishment until his or her identification card is renewed.

(d) Any transporting organization that continues to operate, or any transporting organization agent who continues to work as an agent, after the applicable license or identification card has expired without renewal are subject to the penalties provided under Section 45-5.

(e) The Department shall not renew a license or an agent identification card if the applicant is delinquent in filing any required tax returns or paying any amounts owed to the State of Illinois.

ARTICLE 45.

ENFORCEMENT AND IMMUNITIES

Section 45-5. License suspension; revocation; other penalties.

(a) Notwithstanding any other criminal penalties related to the unlawful possession of cannabis, the Department of Financial and Professional Regulation and the Department of Agriculture may revoke, suspend, place on probation, reprimand, issue cease and desist orders, refuse to issue or renew a license, or take any other disciplinary or nondisciplinary action as each department may deem proper with regard to a cannabis business establishment or cannabis business establishment agents, including fines not to exceed:

(1) \$50,000 for each violation of this Act or rules adopted under this Act by a cultivation center or

1 cultivation center agent;

2 (2) \$10,000 for each violation of this Act or rules
3 adopted under this Act by a dispensing organization or
4 dispensing organization agent;

5 (3) \$15,000 for each violation of this Act or rules
6 adopted under this Act by a craft grower or craft grower
7 agent;

8 (4) \$10,000 for each violation of this Act or rules
9 adopted under this Act by a processing organization or
10 processing organization agent; and

11 (5) \$10,000 for each violation of this Act or rules
12 adopted under this Act by a transporting organization or
13 transporting organization agent.

14 (b) The Department of Financial and Professional
15 Regulation and the Department of Agriculture, as the case may
16 be, shall consider licensee cooperation in any agency or other
17 investigation in its determination of penalties imposed under
18 this Section.

19 (c) The procedures for disciplining a cannabis business
20 establishment or cannabis business establishment agent and for
21 administrative hearings shall be determined by rule, and shall
22 provide for the review of final decisions under the
23 Administrative Review Law.

24 Section 45-10. Immunities and presumptions related to the
25 handling of cannabis by cannabis business establishments and

1 their agents.

2 (a) A cultivation center, craft grower, processing
3 organization, or transporting organization is not subject to:
4 (i) prosecution; (ii) search or inspection, except by the
5 Department of Agriculture, the Department of Public Health, or
6 State or local law enforcement under this Act; (iii) seizure;
7 (iv) penalty in any manner, including, but not limited to,
8 civil penalty; (v) denial of any right or privilege; or (vi)
9 disciplinary action by a business licensing board or entity,
10 for acting under this Act and rules adopted under this Act to
11 acquire, possess, cultivate, manufacture, process, deliver,
12 transfer, transport, supply, or sell cannabis or cannabis
13 paraphernalia under this Act.

14 (b) A licensed cultivation center agent, licensed craft
15 grower agent, licensed processing organization agent, or
16 licensed transporting organization agent is not subject to: (i)
17 prosecution; (ii) search; (iii) penalty in any manner,
18 including, but not limited to, civil penalty; (iv) denial of
19 any right or privilege; or (v) disciplinary action by a
20 business licensing board or entity, for engaging in
21 cannabis-related activity authorized under this Act and rules
22 adopted under this Act.

23 (c) A dispensing organization is not subject to: (i)
24 prosecution; (ii) search or inspection, except by the
25 Department of Financial and Professional Regulation, or State
26 or local law enforcement under this Act; (iii) seizure; (iv)

1 penalty in any manner, including, but not limited to, civil
2 penalty; (v) denial of any right or privilege; or (vi)
3 disciplinary action by a business licensing board or entity,
4 for acting under this Act and rules adopted under this Act to
5 acquire, possess, or dispense cannabis, cannabis-infused
6 products, cannabis paraphernalia, or related supplies, and
7 educational materials under this Act.

8 (d) A licensed dispensing organization agent is not subject
9 to: (i) prosecution; (ii) search; or (iii) penalty in any
10 manner, or be denied any right or privilege, including, but not
11 limited to, civil penalty or disciplinary action by a business
12 licensing board or entity, for working for a dispensing
13 organization under this Act and rules adopted under this Act.

14 (e) Any cannabis, cannabis-infused products, cannabis
15 paraphernalia, legal property, or interest in legal property
16 that is possessed, owned, or used in connection with the use of
17 cannabis as allowed under this Act, or acts incidental to that
18 use, may not be seized or forfeited. This Act does not prevent
19 the seizure or forfeiture of cannabis exceeding the amounts
20 allowed under this Act, nor shall it prevent seizure or
21 forfeiture if the basis for the action is unrelated to the
22 cannabis that is possessed, manufactured, transferred, or used
23 under this Act.

24 (f) Nothing in this Act shall preclude local or State law
25 enforcement agencies from searching a cultivation center,
26 craft grower, processing organization, transporting

1 organization, or dispensing organization if there is probable
2 cause to believe that the criminal laws of this State have been
3 violated and the search is conducted in conformity with the
4 Illinois Constitution, the Constitution of the United States,
5 and applicable law.

6 Section 45-15. State standards and requirements. Any
7 standards, requirements, and rules regarding the health and
8 safety, environmental protection, testing, security, food
9 safety, and worker protections established by the State shall
10 be the minimum standards for all licensees under this Act
11 statewide, where applicable. Knowing violations of any State or
12 local law, ordinance, or rule conferring worker protections or
13 legal rights on the employees of a licensee may be grounds for
14 disciplinary action under this Act, in addition to penalties
15 established elsewhere.

16 Section 45-20. Violation of tax Acts; refusal, revocation,
17 or suspension of license or agent identification card.

18 (a) In addition to other grounds specified in this Act, the
19 Department of Agriculture and Department of Financial and
20 Professional Regulation, upon notification by the Department
21 of Revenue, shall refuse the issuance or renewal of a license
22 or agent identification card, or suspend or revoke the license
23 or agent identification card, of any person, for any of the
24 following violations of any tax Act administered by the

Department of Revenue:

(1) Failure to make a tax return.

(2) The filing of a fraudulent return.

(3) Failure to pay all or part of any tax or penalty finally determined to be due.

(4) Failure to keep books and records.

(5) Failure to secure and display a certificate or sub-certificates of registration, if required.

(6) Willful violation of any rule or regulation of the
Department relating to the administration and enforcement
of tax liability.

(b) After all violations of any of items (1) through (6) of subsection (a) have been corrected or resolved, the Department shall, upon request of the applicant or, if not requested, may notify the entities listed in subsection (a) that the violations have been corrected or resolved. Upon receiving notice from the Department that a violation of any of items (1) through (6) of subsection (a) have been corrected or otherwise resolved to the Department of Revenue's satisfaction, the Department of Agriculture and Department of Financial and Professional Regulation, may issue or renew the license or agent identification card, or vacate an order of suspension or revocation.

ARTICLE 50.

LABORATORY TESTING

1 Section 50-5. Laboratory testing.

2 (a) Notwithstanding any other provision of law, the
3 following acts, when performed by a cannabis testing facility
4 with a current, valid registration, or a person 21 years of age
5 or older who is acting in his or her capacity as an owner,
6 employee, or agent of a cannabis testing facility, are not
7 unlawful and shall not be an offense under Illinois law or be a
8 basis for seizure or forfeiture of assets under State law:

9 (1) possessing, repackaging, transporting, storing, or
10 displaying cannabis or cannabis products;

11 (2) receiving or transporting cannabis or cannabis
12 products from a cannabis establishment or a person 21 years
13 of age or older; and

14 (3) returning or transporting cannabis or cannabis
15 products to a cannabis establishment, or a person 21 years
16 of age or older.

17 (b) (1) No laboratory shall handle, test, or analyze
18 cannabis unless approved by the Department of Agriculture in
19 accordance with this Section.

20 (2) No laboratory shall be approved to handle, test, or
21 analyze cannabis unless the laboratory:

22 (A) is accredited by a private laboratory accrediting
23 organization;

24 (B) is independent from all other persons involved in
25 the cannabis industry in Illinois and that no person with a

1 direct or indirect interest in the laboratory shall have a
2 direct or indirect financial, management, or other
3 interest in an Illinois cultivation center, craft grower,
4 dispensary, processor, transporter, certifying physician,
5 or any other entity in the State that may benefit from the
6 production, and the manufacture, dispensing, sale,
7 purchase, or use of cannabis; and

8 (C) has employed at least one person to oversee and be
9 responsible for the laboratory testing who has earned, from
10 a college or university accredited by a national or
11 regional certifying authority, at least:

12 (i) a master's level degree in chemical or
13 biological sciences and a minimum of 2 years
14 post-degree laboratory experience; or

15 (ii) a bachelor's degree in chemical or biological
16 sciences and a minimum of 4 years post-degree
17 laboratory experience.

18 (3) Each independent testing laboratory that claims to be
19 accredited must provide the Department of Agriculture with a
20 copy of the most recent annual inspection report granting
21 accreditation and every annual report thereafter.

22 (c) Immediately before manufacturing or natural processing
23 of any cannabis or cannabis-infused product or packaging
24 cannabis for sale to a dispensary, each batch shall be made
25 available at the cultivation center for an employee annual
26 report of an approved laboratory to select a random sample,

1 which shall be tested by the approved laboratory for:

2 (1) microbiological contaminants;

3 (2) mycotoxins;

4 (3) pesticide active ingredients;

5 (4) residual solvent; and

6 (5) purposes of conducting an active ingredient
7 analysis.

8 (d) The Department of Agriculture may select a random
9 sample that shall, for the purposes of conducting an active
10 ingredient analysis, be tested by the Department of Agriculture
11 for verification of label information.

12 (e) A laboratory shall immediately return or dispose of any
13 cannabis upon the completion of any testing, use, or research.
14 If cannabis is disposed of, it shall be done in compliance with
15 Department of Agriculture rule.

16 (f) If a sample of cannabis does not pass the
17 microbiological, mycotoxin, pesticide chemical residue, or
18 solvent residue test, based on the standards established by the
19 Department of Agriculture, the following shall apply:

20 (1) If the sample failed the pesticide chemical residue
21 test, the entire batch from which the sample was taken
22 shall, if applicable, be recalled as provided by rule.

23 (2) If the sample failed any other test, the batch may
24 be used to make a CO₂ or solvent based extract. After
25 processing, the CO₂ or solvent based extract must still
26 pass all required tests.

(3) The Department of Agriculture may establish standards for microbial, mycotoxin, pesticide residue, solvent residue, or other standards for the presence of possible contaminants, in addition to labeling requirements for contents and potency.

(g) The laboratory shall file with the Department of Agriculture an electronic copy of each laboratory test result for any batch that does not pass the microbiological, mycotoxin, or pesticide chemical residue test, at the same time that it transmits those results to the cultivation center. In addition, the laboratory shall maintain the laboratory test results for at least 5 years and make them available at the Department of Agriculture's request.

(h) A cultivation center, craft grower, and processor shall provide to a dispensing organization the laboratory test results for each batch of cannabis product purchased by the dispensing organization, if sampled. Each dispensary organization must have those laboratory results available upon request to purchasers.

(i) The Department of Agriculture may adopt rules related to testing in furtherance of this Act.

ARTICLE 55.

GENERAL PROVISIONS

Section 55-5. Preparation of cannabis-infused products.

1 (a) The Department of Agriculture may regulate the
2 production of cannabis-infused products by a cultivation
3 center, a craft grower, processing organization, or dispensing
4 organization and establish rules related to refrigeration,
5 hot-holding, and handling of cannabis-infused products. All
6 cannabis-infused products shall meet the packaging and
7 labeling requirements contained in Section 55-21.

8 (b) Cannabis-infused products for sale or distribution at a
9 dispensing organization must be prepared by an approved agent
10 of a cultivation center or processing organization.

11 (e) A cultivation center or processing organization that
12 prepares cannabis-infused products for sale or distribution by
13 a dispensing organization shall be under the operational
14 supervision of a Department of Public Health certified food
15 service sanitation manager.

16 (e) Dispensing organizations may not manufacture, process,
17 or produce cannabis-infused products.

18 (f) The Department of Public Health shall adopt and enforce
19 rules for the manufacture and processing of cannabis-infused
20 products, and for that purpose it may at all times enter every
21 building, room, basement, enclosure, or premises occupied or
22 used, or suspected of being occupied or used, for the
23 production, preparation, manufacture for sale, storage, sale,
24 processing, distribution, or transportation of
25 cannabis-infused products, and to inspect the premises
26 together with all utensils, fixtures, furniture, and machinery

1 used for the preparation of these products.

2 (g) The Department of Agriculture may by rule establish a
3 maximum level of THC that may be contained in each serving of
4 cannabis-infused product, and within the product package.

5 (h) If a local public health agency has a reasonable belief
6 that a cannabis-infused product poses a public health hazard,
7 it may refer the cultivation center, craft grower, or processor
8 that manufactured or process to the cannabis-infused product to
9 the Department of Public Health. If the Department of Public
10 Health finds that a cannabis-infused product poses a health
11 hazard, it may without administrative procedure to bond, bring
12 an action for immediate injunctive relief to require that
13 action be taken as the court may deem necessary to meet the
14 hazard of the cultivation facility or seek other relief as
15 provided by rule.

16 Section 55-10. Maintenance of inventory. All dispensing
17 organizations authorized to serve both registered qualifying
18 patients and caregivers and purchasers are required to report
19 which cannabis and cannabis-infused products are purchased for
20 sale under the Compassionate Use of Medical Cannabis Pilot
21 Program Act, and which cannabis and cannabis-infused products
22 are purchased under this Act. Nothing in this Section prohibits
23 a registered qualifying patient under the Compassionate Use of
24 Medical Cannabis Pilot Program Act from purchasing cannabis as
25 a purchaser under this Act.

1 Section 55-15. Destruction of cannabis.

2 (a) All cannabis byproduct, scrap, and harvested cannabis
3 not intended for distribution to a dispensing organization must
4 be destroyed and disposed of under rules adopted by the
5 Department of Agriculture under this Act. Documentation of
6 destruction and disposal shall be retained at the cultivation
7 center, craft grower, processing organization, transporter, or
8 testing facility as applicable for a period of not less than 5
9 years.

10 (b) A cultivation center, craft grower, or processing
11 organization, shall, before destruction, notify the Department
12 of Agriculture and the Department of State Police. A dispensing
13 organization shall, before, destruction, notify the Department
14 of Financial and Professional Regulation and the Department of
15 State Police. The Department of Agriculture may by rule require
16 that an employee of the Department of Agriculture or the
17 Department of Financial and Professional Regulation be present
18 during the destruction of any cannabis byproduct, scrap, and
19 harvested cannabis, as applicable.

20 (c) The cultivation center, craft grower, processing
21 organization, or dispensing organization shall keep a record of
22 the date of destruction and how much was destroyed.

23 (d) A dispensing organization shall destroy all cannabis,
24 including cannabis-infused products, not sold to purchasers.
25 Documentation of destruction and disposal shall be retained at

1 the dispensing organization for a period of not less than 5
2 years.

3 Section 55-20. Advertising.

4 (a) No cannabis business establishment nor any other person
5 or entity shall engage in advertising which contains any
6 statement or illustration that:

7 (1) Is false or misleading;

8 (2) Promotes overconsumption of cannabis or cannabis
9 products;

10 (3) Depicts the actual consumption of cannabis or
11 cannabis products;

12 (4) Depicts a person under 21 years of age consuming
13 cannabis

14 (5) Makes any health, medicinal or therapeutic claims
15 about cannabis or cannabis-infused products;

16 (6) Includes the image of a cannabis leaf or bud; or

17 (7) Includes any image designed or likely to appeal to
18 minors, including cartoons, toys, animals, or children, or
19 any other likeness to images, characters, or phrases which
20 is designed in any manner to be appealing to or encourage
21 consumption of persons less than 21 years of age.

22 (b) No cannabis business establishment nor any other person
23 or entity shall place or maintain, or cause to be placed or
24 maintained, an advertisement of cannabis or a cannabis-infused
25 product in any form or through any medium:

1 (1) within 1,000 feet of the perimeter of a school
2 grounds, playground, hospital, healthcare facility,
3 recreation center or facility, child care center, public
4 park or public library, or any game arcade to which
5 admission is not restricted to person's age 21 years or
6 older;

7 (2) on or in a public transit vehicle or public transit
8 shelter;

9 (3) on or in a publicly owned or publicly operated
10 property; or

11 (4) which contains information that:

12 (A) is false or misleading;

13 (B) promotes excessive consumption;

14 (C) depicts a person under 21 years of age
15 consuming cannabis;

16 (D) includes the image of a cannabis leaf; or

17 (E) includes any image designed or likely to appeal
18 to minors, including cartoons, toys, animals, or
19 children, or any other likeness to images, characters,
20 or phrases that are popularly used to advertise to
21 children, or any imitation of candy packaging or
22 labeling, or that promotes consumption of cannabis.

23 (c) This Section does not apply to an educational message.

24 Section 55-21. Cannabis product packaging and labeling.

25 (a) Each cannabis product produced for sale shall be

1 registered with the Department of Agriculture on forms provided
2 by the Department of Agriculture. Each product registration
3 shall include a label and the required registration fee at the
4 rate established by the Department of Agriculture for a
5 comparable medical cannabis product, or as established by rule.
6 The registration fee is for the name of the product offered for
7 sale and one fee shall be sufficient for all package sizes.

8 (b) All harvested cannabis intended for distribution to a
9 cannabis enterprise must be packaged in a sealed, labeled
10 container.

11 (c) Packaging of any product containing cannabis shall be
12 child-resistant and light-resistant consistent with current
13 standards, including the Consumer Product Safety Commission
14 standards referenced by the Poison Prevention Act.

15 (d) All cannabis-infused products shall be individually
16 wrapped or packaged at the original point of preparation. The
17 packaging of the cannabis-infused product shall conform to the
18 labeling requirements of the Illinois Food, Drug and Cosmetic
19 Act and, in addition to the other requirements set forth in
20 this Section.

21 (e) Each cannabis product shall be labeled before sale and
22 each label shall be securely affixed to the package and shall
23 state in legible English and any languages required by law:

24 (1) The name and P.O. Box of the registered cultivation
25 center or craft grower where the item was manufactured;

26 (2) The common or usual name of the item and the

1 registered name of the cannabis product that was registered
2 with the Department of Agriculture under subsection (a);

3 (3) A unique serial number that will match the product
4 with a cultivation center or craft grower batch and lot
5 number to facilitate any warnings or recalls the Department
6 of Agriculture, cultivation center, or craft grower deems
7 appropriate;

8 (4) The date of final testing and packaging, if
9 sampled, and the identification of the independent testing
10 laboratory;

11 (5) The date of harvest and "use by" date;

12 (6) The quantity (in ounces or grams) of cannabis
13 contained in the product;

14 (7) A pass/fail rating based on the laboratory's
15 microbiological, mycotoxins, and pesticide and solvent
16 residue analyses, if sampled.

17 (8) Content List.

18 (A) A list of the following, including the minimum
19 and maximum percentage content by weight for
20 subsections (d)(8)(A)(i) through (iv):

21 (i) delta-9-tetrahydrocannabinol (THC);

22 (ii) tetrahydrocannabinolic acid (THCA);

23 (iii) cannabidiol (CBD);

24 (iv) cannabidiolic acid (CBDA); and

25 (v) all other ingredients of the item,
26 including any colors, artificial flavors and

1 preservatives, listed in descending order by
2 predominance of weight shown with common or usual
3 names.

4 (B) The acceptable tolerances for the minimum
5 percentage printed on the label for any of subsections
6 (d) (8) (A) (i) through (iv) shall not be below 85% or
7 above 115% of the labeled amount;

8 (f) Packaging must not contain information that:

9 (1) is false or misleading;
10 (2) promotes excessive consumption;
11 (3) depicts a person under 21 years of age consuming
12 cannabis;

13 (4) includes the image of a cannabis leaf;
14 (5) includes any image designed or likely to appeal to
15 minors, including cartoons, toys, animals, or children, or
16 any other likeness to images, characters, or phrases that
17 are popularly used to advertise to children, or any
18 packaging or labeling that bears reasonable resemblance to
19 any product available for consumption as a commercially
20 available candy, or that promotes consumption of cannabis;

21 (6) contains any seal, flag, crest, coat of arms or
22 other insignia likely to mislead the consumer to believe
23 that the product has been endorsed, made or used by the
24 State of Illinois or any of its representatives except
25 where authorized by this Act.

26 (g) Cannabis products produced by concentrating or

1 extracting ingredients from the cannabis plant shall contain
2 the following information, where applicable:

3 (1) If solvents were used to create the concentrate or
4 extract, a statement that discloses the type of extraction
5 method, including any solvents or gases used to create the
6 concentrate or extract; and

7 (2) Any other chemicals or compounds used to produce or
8 were added to the concentrate or extract.

9 (h) All cannabis products must contain warning statements
10 established for consumers, of a size that is legible and
11 readily visible to a consumer inspecting a package, which may
12 not be covered or obscured in any way. The Department of Public
13 Health may define and update appropriate health warnings for
14 packages including specific labeling or warning requirements
15 for specific cannabis products.

16 (i) Unless modified by rule, the following warnings shall
17 apply to all cannabis products unless modified by rule: "This
18 product contains cannabis and is intended for use by adults 21
19 and over. Its use can impair cognition and may be habit
20 forming. This product should not be used by pregnant or
21 breastfeeding women. It is unlawful to sell or provide this
22 item to any individual, and may not be transported outside the
23 state of Illinois. It is illegal to operate a motor vehicle
24 while under the influence of cannabis. Possession or use of
25 this product may carry significant legal penalties in some
26 jurisdictions and under federal law.".

1 (j) Warnings for each of the following product types must
2 be present on labels when offered for sale to a consumer:

3 (1) Cannabis which may be smoked must contain a
4 statement that "Smoking is hazardous to your health.".

5 (2) Cannabis-infused products (other than those
6 intended for topical application) must contain a statement
7 "CAUTION: This product contains cannabis, and intoxication
8 following use may be delayed 2 or more hours. This product
9 was produced in a facility that cultivates cannabis, and
10 which may also process common food allergens.".

11 (3) Cannabis-infused products intended for topical
12 application must contain a statement "DO NOT EAT" in bold,
13 capital letters.

14 (k) Each cannabis-infused product intended for consumption
15 must be individually packaged, include the total milligram
16 content of THC and CBD, and may not include more than a total
17 of 100 milligrams of active per package. A package may contain
18 multiple servings of 10 milligrams of THC, and indicated by
19 scoring, wrapping, or by other indicators designating
20 individual serving sizes. The Department of Public Health may
21 change the total about of THC allowed for each package, or the
22 total amount of THC allowed for each serving size, by rule.

23 (l) No individual other than the purchaser may alter or
24 destroy any labeling affixed to the primary packaging of
25 cannabis or cannabis-infused products.

26 (m) For each commercial weighing and measuring equipment

1 device used at a facility, the cultivation center or craft
2 grower must:

3 (1) Ensure that the commercial device is licensed under
4 the Weights and Measures Act and the associated
5 administrative rules (8 Ill. Adm. Code 600);

6 (2) Maintain documentation of the licensure of the
7 commercial device; and

8 (3) Provide a copy of the license of the commercial
9 device to the Department of Agriculture for review upon
10 request.

11 (n) It is the responsibility of the Department to ensure
12 that packaging and labeling requirements, including product
13 warnings, are enforced at all times for products provided to
14 consumers. Product registration requirements and container
15 requirements may be modified by rule by the Department of
16 Agriculture.

17 (o) Labeling including warning labels may be modified by
18 rule by the Department of Agriculture.

19 Section 55-25. Local ordinances. Unless otherwise provided
20 under this Act or in accordance with State law:

21 (1) A unit of local government, including a home rule
22 unit or any non-home rule county within the unincorporated
23 territory of the county, may enact reasonable zoning
24 ordinances or resolutions, not in conflict with this Act or
25 rules adopted pursuant to this Act regulating cannabis

1 establishments. No unit of local government, including a
2 home rule unit, or school district may unreasonably
3 prohibit home cultivation and use of cannabis authorized by
4 this Act.

5 (2) A unit of local government, including a home rule
6 unit or any non-home rule county within the unincorporated
7 territory of the county, may enact ordinances or rules not
8 in conflict with this Act or with rules adopted pursuant to
9 this this Act governing the time, place, manner, and number
10 of cannabis establishment operations, including minimum
11 distance limitations between cannabis establishments and
12 locations it deems sensitive, including colleges and
13 universities, through the use of conditional use permits. A
14 unit of local government, including a home rule unit, may
15 establish civil penalties for violation of an ordinance or
16 rules governing the time, place, and manner of operation of
17 a cannabis establishment or a conditional use permit in the
18 jurisdiction of the unit of local government.

19 (3) A unit of local government, including a home rule
20 unit, or any non-home rule county within the unincorporated
21 territory of the county may regulate the consumption of
22 cannabis within its jurisdiction in a manner consistent
23 with this Act.

24 (4) A unit of local government, including a home rule
25 unit or any non-home rule county within the unincorporated
26 territory of the county, may not regulate the activities

1 described in paragraph (1), (2), or (3) in a manner more
2 restrictive than the regulation of those activities by the
3 State under this Act. This Section is a limitation under
4 subsection (i) of Section 6 of Article VII of the Illinois
5 Constitution on the concurrent exercise by home rule units
6 of powers and functions exercised by the State.

7 (5) A unit of local government may regulate the ability
8 of a cannabis business establishment to operate, provided
9 that any measure prohibiting or significantly limiting a
10 cannabis business establishment's location more than one
11 year from the effective date of this Act must be submitted
12 to the voters of such unit of local government at a
13 referendum held in accordance with general election law and
14 has been approved by a majority of such voters voting on
15 the question. The corporate authorities of any unit of
16 local government may certify the question of whether to
17 enact a zoning ordinance, special use permit, conditions or
18 requirements that inhibits the location of cannabis
19 business establishments. Referenda provided for in this
20 Section may not be held more than once in any 23-month
21 period.

22 Section 55-30. Confidentiality. Information provided by
23 cannabis business establishment licensees or applicants to the
24 Department of Agriculture, the Department of Public Health, the
25 Department of Financial and Professional Regulation, or other

1 agency shall be limited to information necessary for the
2 purposes of administering this Act. The information is subject
3 to the provisions and limitations contained in the Freedom of
4 Information Act and may be disclosed in accordance with Section
5 55-65.

6 Section 55-35. Administrative rulemaking.

7 (a) No later than 180 days after the effective date of this
8 Act, the Department of Agriculture, the Department of State
9 Police, the Department of Financial and Professional
10 Regulation, the Department of Revenue, the Department of
11 Commerce and Economic Opportunity, and the Treasurer's Office
12 shall adopt permanent rules in accordance with their
13 responsibilities under this Act. The Department of
14 Agriculture, the Department of State Police, the Department of
15 Financial and Professional Regulation, the Department of
16 Revenue, and the Department of Commerce and Economic
17 Opportunity may adopt rules necessary to regulate personal
18 cannabis use through the use of emergency rulemaking in
19 accordance with subsection (gg) of Section 5-45 of the Illinois
20 Administrative Procedure Act. The General Assembly finds that
21 the adoption of rules to regulate cannabis use is deemed an
22 emergency and necessary for the public interest, safety, and
23 welfare.

24 (b) The Department of Agriculture rules may address, but
25 are not limited to, the following matters related to

1 cultivation centers, craft growers, processing organizations,
2 and transporting organizations with the goal of protecting
3 against diversion and theft, without imposing an undue burden
4 on the cultivation centers, craft growers, processing
5 organizations, or transporting organizations:

6 (1) oversight requirements for cultivation centers,
7 craft growers, processing organizations, and transporting
8 organizations;

9 (2) recordkeeping requirements for cultivation
10 centers, craft growers, processing organizations, and
11 transporting organizations;

12 (3) security requirements for cultivation centers,
13 craft growers, processing organizations, and transporting
14 organizations, which shall include that each cultivation
15 center, craft grower, processing organization, and
16 transporting organization location must be protected by a
17 fully operational security alarm system;

18 (4) standards for enclosed, locked facilities under
19 this Act;

20 (5) procedures for suspending or revoking the
21 identification cards of agents of cultivation centers,
22 craft growers, processing organizations, and transporting
23 organizations that commit violations of this Act or the
24 rules adopted under this Section;

25 (6) rules concerning the intrastate transportation of
26 cannabis from a cultivation center, craft grower,

1 processing organization, and transporting organization to
2 a dispensing organization;

3 (7) standards concerning the testing, quality,
4 cultivation, and processing of cannabis; and

5 (8) any other matters under oversight by the Department
6 of Agriculture as are necessary for the fair, impartial,
7 stringent, and comprehensive administration of this Act.

8 (c) The Department of Financial and Professional
9 Regulation rules may address, but are not limited to, the
10 following matters related to dispensing organizations, with
11 the goal of protecting against diversion and theft, without
12 imposing an undue burden on the dispensing organizations:

13 (1) oversight requirements for dispensing
14 organizations;

15 (2) recordkeeping requirements for dispensing
16 organizations;

17 (3) security requirements for dispensing
18 organizations, which shall include that each dispensing
19 organization location must be protected by a fully
20 operational security alarm system;

21 (4) procedures for suspending or revoking the licenses
22 of dispensing organization agents that commit violations
23 of this Act or the rules adopted under this Act;

24 (5) any other matters under oversight by the Department
25 of Financial and Professional Regulation that are
necessary for the fair, impartial, stringent, and

1 comprehensive administration of this Act.

2 (d) The Department of Revenue rules may address, but are
3 not limited to, the following matters related to the payment of
4 taxes by cannabis business establishments;

5 (1) Recording of sales;
6 (2) Documentation of taxable income and expenses;
7 (3) Transfer of funds for the payment of taxes; or
8 (4) Any other matter under the oversight of the
9 Department of Revenue.

10 (e) The Department of Commerce and Economic Opportunity
11 rules may address, but are not limited to, a loan program or
12 grant program to assist Social Equity Applicants access the
13 capital needed to start a cannabis business establishment.

14 (f) The Department of State Police rules may address any
15 matters necessary in the enforcement of this Act.

16 (g) The Department of Public Health shall develop and
17 disseminate:

18 (1) educational information about the health risks
19 associated with the use of cannabis; and
20 (2) one or more public education campaigns in
21 coordination with local health departments and community
22 organizations, including one or more prevention campaigns
23 directed at children, adolescents, parents, and
24 pregnant/breastfeeding women, to inform them of the
25 potential health risks associated with intentional or
26 unintentional cannabis use.

1 Section 55-40. Enforcement.

2 (a) If the Department of Agriculture, Department of State
3 Police, Department of Financial and Professional Regulation,
4 Department of Commerce and Economic Opportunity, or Department
5 of Revenue fails to adopt rules to implement this Act within
6 the times provided in this Act, any citizen may commence a
7 mandamus action in the circuit court to compel the agencies to
8 perform the actions mandated under Section 60-5.

9 (b) If the Department of Agriculture or the Department of
10 Financial and Professional Regulation fails to issue a valid
11 agent identification card in response to a valid initial
12 application or renewal application submitted under this Act or
13 fails to issue a verbal or written notice of denial of the
14 application within 30 days of its submission, the agent
15 identification card is deemed granted and a copy of the agent
16 identification initial application or renewal application
17 shall be deemed a valid agent identification card.

18 (c) Authorized employees of State or local law enforcement
19 agencies shall immediately notify the Department of
20 Agriculture and the Department of Financial and Professional
21 Regulation when any person in possession of an agent
22 identification card has been convicted of or pled guilty to
23 violating this Act.

24 Section 55-45. Administrative hearings.

1 (a) Administrative hearings related to the duties and
2 responsibilities assigned to the Department of Public Health
3 shall be conducted under the Department of Public Health's
4 rules governing administrative hearings.

5 (b) Administrative hearings related to the duties and
6 responsibilities assigned to the Department of Financial and
7 Professional Regulation and dispensing organization agents
8 shall be conducted under the Department of Financial and
9 Professional Regulation's rules governing administrative
10 hearings.

11 (c) Administrative hearings related to the duties and
12 responsibilities assigned to the Department of Agriculture,
13 cultivation centers, or cultivation center agents shall be
14 conducted under the Department of Agriculture's rules
15 governing administrative hearings.

16 Section 55-50. Petition for rehearing. Within 20 days after
17 the service of any order or decision of the Department of
18 Public Health, the Department of Agriculture, the Department of
19 Financial and Professional Regulation, or the Department of
20 State Police upon any party to the proceeding, the party may
21 apply for a rehearing in respect to any matters determined by
22 them under this Act, except for decisions made under the
23 Cannabis Cultivation Privilege Tax Law, the Cannabis Purchaser
24 Excise Tax Law, the County Cannabis Retailers' Occupation Tax,
25 and the Municipal Cannabis Purchaser Excise Tax Law, which

1 shall be governed by the provisions of those Laws. If a
2 rehearing is granted, an agency shall hold the rehearing and
3 render a decision within 30 days from the filing of the
4 application for rehearing with the agency. The time for holding
5 such rehearing and rendering a decision may be extended for a
6 period not to exceed 30 days, for good cause shown, and by
7 notice in writing to all parties of interest. If an agency
8 fails to act on the application for rehearing within 30 days,
9 or the date the time for rendering a decision was extended for
10 good cause shown, the order or decision of the agency is final.
11 No action for the judicial review of any order or decision of
12 an agency shall be allowed unless the party commencing such
13 action has first filed an application for a rehearing and the
14 agency has acted or failed to act upon the application. Only
15 one rehearing may be granted by an agency on application of any
16 one party.

17 Section 55-55. Review of administrative decisions. All
18 final administrative decisions of the Department of Public
19 Health, the Department of Agriculture, the Department of
20 Financial and Professional Regulation, and the Department of
21 State Police are subject to direct judicial review under the
22 Administrative Review Law and the rules adopted under that Law.
23 The term "administrative decision" is defined as in Section
24 3-101 of the Code of Civil Procedure.

1 Section 55-60. Suspension or revocation of a license.

2 (a) The Department of Financial and Professional
3 Regulation or the Department of Agriculture, as each applies,
4 may suspend or revoke a license for a violation of this Act or
5 a rule adopted in accordance with this Act by the Department of
6 Agriculture, and the Department of Financial and Professional
7 Regulation.

8 (b) The Department of Agriculture, and the Department of
9 Financial and Professional Regulation may suspend or revoke an
10 agent identification card for a violation of this Act or a rule
11 adopted in accordance with this Act.

12 Section 55-65. Financial institutions.

13 (a) A financial institution that provides financial
14 services customarily provided by financial institutions to a
15 cannabis business establishment authorized under this Act or
16 the Compassionate Use of Medical Cannabis Pilot Program Act is
17 exempt from any criminal law of this State as it relates to
18 cannabis-related conduct authorized under State law.

19 (b) Upon request of a financial institution, a cannabis
20 business establishment or proposed cannabis business
21 establishment may provide to the financial institution the
22 following information:

23 (1) Whether a cannabis establishment with which the
24 financial institution is doing or is considering doing
25 business holds a license under this Act or the

1 Compassionate Use of Medical Cannabis Pilot Program Act;

2 (2) The name of any other business or individual
3 affiliate with the cannabis establishment;

4 (3) A copy of the application, and any supporting
5 documentation submitted with the application, for a
6 license or a permit submitted on behalf of the proposed
7 cannabis establishment;

8 (4) If applicable, data relating to sales and the
9 volume of product sold by the cannabis establishment;

10 (5) Any past or pending violation by the person of this
11 Act, the Compassionate Use of Medical Cannabis Pilot
12 Program Act, or the rules adopted under these Acts where
13 applicable; and

14 (6) Any penalty imposed upon the person for violating
15 this Act, the Compassionate Use of Medical Cannabis Pilot
16 Program Act, or the rules adopted under these Acts.

17 (c) Upon receiving a request under subsection (b) of this
18 Section, the Department of Financial and Professional
19 Regulation or the Department of Agriculture, as each applies,
20 shall provide the requesting financial institution with the
21 requested information.

22 (d) The Department of Financial and Professional
23 Regulation or the Department of Agriculture, as each applies,
24 may charge a financial institution a reasonable fee to cover
25 the administrative costs of providing information under this
26 Section.

1 (e) Information received by a financial institution under
2 this Section is confidential. Except as otherwise required or
3 permitted by this Act, State law or rule, or federal law or
4 regulation, a financial institution may not make the
5 information available to any person other than:

6 (1) the customer to whom the information applies;

7 (2) trustee, conservator, guardian, personal
8 representative, or agent of the customer to whom the
9 information applies; a federal or State regulator when
10 requested in connection with an examination of the
11 financial institution or if otherwise necessary for
12 complying with federal or State law;

13 (3) a federal or State regulator when requested in
14 connection with an examination of the financial
15 institution or if otherwise necessary for complying with
16 federal or State law; and

17 (4) a third party performing services for the financial
18 institution, provided the third party is performing such
19 services under a written agreement that expressly or by
20 operation of law prohibits the third party's sharing and
21 use of such confidential information for any purpose other
22 than as provided in its agreement to provide services to
23 the financial institution.

24 (f) The Department of Financial and Professional
25 Regulation shall evaluate and adopt rules that encourage
26 financial institutions to provide financial services to

1 cannabis business enterprises and encourage institutions to
2 offer benefits within Disproportionately Impacted Areas.

3 Section 55-75. Contracts enforceable. It is the public
4 policy of this State that contracts related to the operation of
5 a lawful cannabis establishment under this Act are enforceable.
6 It is the public policy of this State that no contract entered
7 into by a lawful cannabis business establishment or its agents
8 on behalf of a cannabis business establishment, or by those who
9 allow property to be used by a cannabis business establishment,
10 shall be unenforceable on the basis that cultivating,
11 obtaining, manufacturing, processing, distributing,
12 dispensing, transporting, selling, possessing, or using
13 cannabis or hemp is prohibited by federal law.

14 Section 55-80. Annual reports.

15 (a) The Department of Financial and Professional
16 Regulation shall submit to the General Assembly and Governor a
17 report, by September 30 of each year, that does not disclose
18 any information identifying information about cultivation
19 centers, craft growers, processing organizations, transporting
20 organizations, or dispensing organizations, but does contain
21 at a minimum, all of the following information for the previous
22 fiscal year:

23 (1) The number of licenses issued to dispensing
24 organizations by county, or, in counties with greater than

1 3,000,000 residents, by zip code;

2 (2) The total number of dispensing organization owners
3 that are minority persons, women, or persons with
4 disabilities as those terms are defined in the Business
5 Enterprise for Minorities, Women, and Persons with
6 Disabilities Act;

7 (3) The total number of revenues received from
8 dispensing organizations, segregated from revenues
9 received from dispensing organizations under the
10 Compassionate Use if Medical Cannabis Pilot Program Act by
11 county, separated by source of revenue;

12 (4) The total amount of revenue received from
13 dispensing organizations that share a premises or majority
14 ownership with a craft grower;

15 (5) The total amount of revenue received from
16 dispensing organizations that share a premises or majority
17 ownership with a processor; and

18 (6) An analysis of revenue generate from taxation,
19 licensing, and other fees for the State, including
20 recommendations to change the tax rate applied.

21 (b) The Department of Agriculture shall submit to the
22 General Assembly and Governor a report, by September 30 of each
23 year, that does not disclose any information identifying
24 information about cultivation centers, craft growers,
25 processing organizations, transporting organizations, or
26 dispensing organizations, but does contain at a minimum, all of

1 the following information for the previous fiscal year:

2 (1) The number of licenses issued to cultivation
3 centers, craft growers, processors, and transporters by
4 license type, and, in counties with more than 3,000,000
5 residents, by zip code;

6 (2) The total number of cultivation centers, craft
7 growers, processors, and transporters by license type that
8 are minority persons, women, or persons with disabilities
9 as those terms are defined in the Business Enterprise for
10 Minorities, Women, and Persons with Disabilities Act;

11 (3) The total amount of revenue received from
12 cultivation centers, craft growers, processors, and
13 transporters, separated by license types and source of
14 revenue;

15 (4) The total amount of revenue received from craft
16 growers and processors that share a premises or majority
17 ownership with a dispensing organization;

18 (5) The total amount of revenue received from craft
19 growers that share a premises or majority ownership with a
20 processor, but do not share a premises or ownership with a
21 dispensary;

22 (6) The total amount of revenue received from
23 processors that share a premises or majority ownership with
24 a craft grower, but do not share a premises or ownership
25 with a dispensary;

26 (7) The total amount of revenue received from craft

1 growers that share a premises or majority ownership with a
2 dispensing organization, but do not share a premises or
3 ownership with a processor;

4 (8) The total amount of revenue received from
5 processors that share a premises or majority ownership with
6 a dispensing organization, but do not share a premises or
7 ownership with a craft grower;

8 (9) The total amount of revenue received from
9 transporters; and

10 (10) An analysis of revenue generated from taxation,
11 licensing, and other fees for the State, including
12 recommendations to change the tax rate applied.

13 (c) The Department of State Police shall submit to the
14 General Assembly and Governor a report, by September 30 of each
15 year that contains at a minimum, all of the following
16 information for the previous fiscal year:

17 (1) The effect of regulation and taxation of cannabis
18 on law enforcement resources;

19 (2) The impact of regulation and taxation of cannabis
20 on highway safety and rates of impaired driving, where
21 impairment was determined based on failure of a Field
22 Sobriety Test;

23 (3) The available and emerging methods for detecting
24 the metabolites for delta-9-tetrahydrocannabinol in bodily
25 fluids, including without limitation blood and saliva;

26 (4) The effectiveness of current DUI laws and

1 recommendations for improvements to policy to better
2 ensure safe highways and fair laws.

3 (d) The Public Health Advisory Committee shall submit to
4 the General Assembly and Governor a report, by September 30 of
5 each year, that does not disclose any identifying information
6 about any individuals, but does contain at a minimum:

7 (1) Self-reported youth cannabis use, as published in
8 the most recent Illinois Youth Survey available;

9 (2) Self-reported adult cannabis use, as published in
10 the most recent Behavioral Risk Factor Surveillance Survey
11 available;

12 (3) Hospital room admissions and hospital utilization
13 rates caused by cannabis consumption, including the
14 presence or detection of other drugs;

15 (4) Overdoses of cannabis and poison control data,
16 including the presence of other drugs that may have
17 contributed;

18 (5) Incidents of impaired driving caused by the
19 consumption of cannabis or cannabis products, including
20 the presence of other drugs or alcohol which may have
21 contributed to the impaired driving;

22 (6) Prevalence of infants born testing positive for
23 cannabis or delta-9-tetrahydrocannabinol, including
24 demographic and racial information on which infants are
25 tested;

26 (7) Public perceptions of use and risk of harm;

1 (8) Revenue collected from cannabis taxation and how
2 that revenue was used;

3 (9) Cannabis retail licenses granted and locations

4 (10) Cannabis-related arrests; and

5 (11) Number of individuals completing required bud
6 tender training.

7 (e) Each agency or committee submitting reports under this
8 Section may consult with one another in the preparation of each
9 report.

10 Section 55-85. Medical cannabis.

11 (a) Nothing in this Act shall be construed to limit any
12 privileges or rights of a medical cannabis patient including
13 minor patients, primary caregiver, medical cannabis
14 cultivation center, or medical cannabis dispensing
15 organization under the Compassionate Use of Medical Cannabis
16 Pilot Program Act, and where there is conflict between this Act
17 and the Compassionate Use of Medical Cannabis Pilot Program Act
18 as they relate to medical cannabis patients, the Compassionate
19 Use of Medical Cannabis Pilot Program Act shall prevail.

20 (b) Dispensary locations that obtain an Early Approval
21 Adult Use Dispensary Organization License or an Adult Use
22 Dispensary Organization License in accordance with this Act at
23 the same location as a medical cannabis dispensing organization
24 registered under the Compassionate Use of Medical Cannabis
25 Pilot Program Act shall maintain an inventory of medical

1 cannabis and medical cannabis products on a monthly basis that
2 is substantially similar in variety and quantity to the
3 products offered at the dispensary during the 6-month period
4 immediately before the effective date of this Act.

5 (c) Beginning June 30, 2020, the Department of Agriculture
6 shall make a quarterly determination whether inventory
7 requirements established for dual use dispensaries in
8 subsection (b) should be adjusted due to changing patient need.

9 Section 55-90. Home rule preemption. Except as otherwise
10 provided in this Act, the regulation and licensing of the
11 activities described in this Act are exclusive powers and
12 functions of the State. Except as otherwise provided in this
13 Act, a unit of local government, including a home rule unit,
14 may not regulate or license the activities described in this
15 Act. This Section is a denial and limitation of home rule
16 powers and functions under subsection (h) of Section 6 of
17 Article VII of the Illinois Constitution.

18 ARTICLE 60.

19 CANNABIS CULTIVATION PRIVILEGE TAX

20 Section 60-1. Short title. This Article may be referred to
21 as the Cannabis Cultivation Privilege Tax Law.

22 Section 60-5. Definitions. In this Article:

1 "Cannabis" has the meaning given to that term in Article 1
2 of this Act, except that it does not include cannabis that is
3 subject to tax under the Compassionate Use of Medical Cannabis
4 Pilot Program Act.

5 "Craft grower" has the meaning given to that term in
6 Article 1 of this Act.

7 "Cultivation center" has the meaning given to that term in
8 Article 1 of this Act.

9 "Cultivator" or "taxpayer" means a cultivation center or
10 craft grower who is subject to tax under this Article.

11 "Department" means the Department of Revenue.

12 "Director" means the Director of Revenue.

13 "Dispensing organization" or "dispensary" has the meaning
14 given to that term in Article 1 of this Act.

15 "Gross receipts" from the sales of cannabis by a cultivator
16 means the total selling price or the amount of such sales, as
17 defined in this Article. The amount thereof shall be included
18 only when payments are received by the cultivator.

19 "Person" means a natural individual, firm, partnership,
20 association, joint stock company, joint adventure, public or
21 private corporation, limited liability company, or a receiver,
22 executor, trustee, guardian, or other representative appointed
23 by order of any court.

24 "Processor" means "processing organization" or "processor"
25 as defined in Article 1 of this Act.

26 "Selling price" or "amount of sale" means the consideration

1 for a sale valued in money whether received in money or
2 otherwise, including cash, credits, property, and services,
3 and shall be determined without any deduction on account of the
4 cost of the property sold, the cost of materials used, labor or
5 service cost, or any other expense whatsoever, but does not
6 include separately stated charges identified on the invoice by
7 cultivators to reimburse themselves for their tax liability
8 under this Article.

9 Section 60-10. Tax imposed.

10 (a) Beginning on September 1, 2019, a tax is imposed upon
11 the privilege of cultivating cannabis at the rate of 7% of the
12 gross receipts from the first sale of cannabis by a cultivator.
13 The sale of any product that contains any amount of cannabis or
14 any derivative thereof is subject to the tax under this Section
15 on the full selling price of the product. The Department may
16 determine the selling price of the cannabis when the seller and
17 purchaser are affiliated persons, when the sale and purchase of
18 cannabis is not an arm's length transaction, or when cannabis
19 is transferred by a craft grower to the craft grower's
20 dispensing organization and a value is not established for the
21 cannabis. The value determined by the Department shall be
22 commensurate with the actual price received for products of
23 like quality, character, and use in the area. If there are no
24 sales of cannabis of like quality, character, and use in the
25 same area, then the Department shall establish a reasonable

1 value based on sales of products of like quality, character,
2 and use in other areas of the State, taking into consideration
3 any other relevant factors.

4 (b) The Cannabis Cultivation Privilege Tax imposed under
5 this Article is solely the responsibility of the cultivator who
6 makes the first sale and is not the responsibility of a
7 subsequent purchaser, a dispensing organization, or a
8 processor. Persons subject to the tax imposed under this
9 Article may, however, reimburse themselves for their tax
10 liability hereunder by separately stating reimbursement for
11 their tax liability as an additional charge. (c) The tax
12 imposed under this Article shall be in addition to all other
13 occupation, privilege, or excise taxes imposed by the State of
14 Illinois or by any unit of local government.

15 Section 60-15. Registration of cultivators. Every
16 cultivator and craft grower subject to the tax under this
17 Article shall apply to the Department of Revenue for a
18 certificate of registration under this Article. All
19 applications for registration under this Article shall be made
20 by electronic means in the form and manner required by the
21 Department. For that purpose, the provisions of Section 2a of
22 the Retailers' Occupation Tax Act are incorporated into this
23 Article to the extent not inconsistent with this Article. In
24 addition, no certificate of registration shall be issued under
25 this Article unless the applicant is licensed under this Act.

1 Section 60-20. Return and payment of cannabis cultivation
2 privilege tax. Each person who is required to pay the tax
3 imposed by this Article shall make a return to the Department
4 on or before the 20th day of each month for the preceding
5 calendar month stating the following:

6 (1) the taxpayer's name;

7 (2) the address of the taxpayer's principal place of
8 business and the address of the principal place of
9 business(if that is a different address) from which the
10 taxpayer is engaged in the business of cultivating cannabis
11 subject to tax under this Article;

12 (3) the total amount of receipts received by the
13 taxpayer during the preceding calendar month from sales of
14 cannabis subject to tax under this Article by the taxpayer
15 during the preceding calendar month;

16 (4) the total amount received by the taxpayer during
17 the preceding calendar month on charge and time sales of
18 cannabis subject to tax imposed under this Article by the
19 taxpayer before the month for which the return is filed;

20 (5) deductions allowed by law;

21 (6) gross receipts that were received by the taxpayer
22 during the preceding calendar month and upon the basis of
23 which the tax is imposed;

24 (7) the amount of tax due;

25 (8) the signature of the taxpayer; and

1 (9) any other information as the Department may
2 reasonably require.

3 All returns required to be filed and payments required to
4 be made under this Article shall be by electronic means.
5 Taxpayers who demonstrate hardship in paying electronically
6 may petition the Department to waive the electronic payment
7 requirement. The Department may require a separate return for
8 the tax under this Article or combine the return for the tax
9 under this Article with the return for the tax under the
10 Compassionate Use of Medical Cannabis Pilot Program Act. If the
11 return for the tax under this Article is combined with the
12 return for tax under the Compassionate Use of Medical Cannabis
13 Pilot Program Act, then the vendor's discount allowed under
14 this Section and any cap on that discount shall apply to the
15 combined return. The taxpayer making the return provided for in
16 this Section shall also pay to the Department, in accordance
17 with this Section, the amount of tax imposed by this Article,
18 less a discount of 1.75%, but not to exceed \$1,000 per return
19 period, which is allowed to reimburse the taxpayer for the
20 expenses incurred in keeping records, collecting tax,
21 preparing and filing returns, remitting the tax, and supplying
22 data to the Department upon request. No discount may be claimed
23 by a taxpayer on returns not timely filed and for taxes not
24 timely remitted. No discount may be claimed by a taxpayer for
25 any payment that is not made electronically, unless a waiver
26 has been granted under this Section. Any amount that is

1 required to be shown or reported on any return or other
2 document under this Article shall, if the amount is not a
3 whole-dollar amount, be increased to the nearest whole-dollar
4 amount if the fractional part of a dollar is \$0.50 or more and
5 decreased to the nearest whole-dollar amount if the fractional
6 part of a dollar is less than \$0.50. If a total amount of less
7 than \$1 is payable, refundable, or creditable, the amount shall
8 be disregarded if it is less than \$0.50 and shall be increased
9 to \$1 if it is \$0.50 or more. Notwithstanding any other
10 provision in this Article concerning the time within which a
11 taxpayer may file a return, any such taxpayer who ceases to
12 engage in the kind of business that makes the person
13 responsible for filing returns under this Article shall file a
14 final return under this Article with the Department within one
15 month after discontinuing such business.

16 Each taxpayer under this Article shall make estimated
17 payments to the Department on or before the 7th, 15th, 22nd,
18 and last day of the month during which tax liability to the
19 Department is incurred. The payments shall be in an amount not
20 less than the lower of either 22.5% of the taxpayer's actual
21 tax liability for the month or 25% of the taxpayer's actual tax
22 liability for the same calendar month of the preceding year.
23 The amount of the quarter-monthly payments shall be credited
24 against the final tax liability of the taxpayer's return for
25 that month. Except as otherwise provided in this paragraph with
26 respect to the taxpayer's first year of paying tax under this

1 Article, if any quarter-monthly payment is not paid at the time
2 or in the amount required by this Section, then the taxpayer
3 shall be liable for penalties and interest on the difference
4 between the minimum amount due as a payment and the amount of
5 the quarter-monthly payment actually and timely paid, except
6 insofar as the taxpayer has previously made payments for that
7 month to the Department in excess of the minimum payments
8 previously due as provided in this Section.

9 If any payment provided for in this Section exceeds the
10 taxpayer's liabilities under this Article, as shown on an
11 original monthly return, the Department shall, if requested by
12 the taxpayer, issue to the taxpayer a credit memorandum no
13 later than 30 days after the date of payment. The credit
14 evidenced by the credit memorandum may be assigned by the
15 taxpayer to a similar taxpayer under this Act, in accordance
16 with reasonable rules to be prescribed by the Department. If no
17 such request is made, the taxpayer may credit the excess
18 payment against tax liability subsequently to be remitted to
19 the Department under this Act, in accordance with reasonable
20 rules prescribed by the Department. If the Department
21 subsequently determines that all or any part of the credit
22 taken was not actually due to the taxpayer, the taxpayer's
23 discount shall be reduced, if necessary, to reflect the
24 difference between the credit taken and that actually due, and
25 that taxpayer shall be liable for penalties and interest on the
26 difference.

1 If a taxpayer fails to sign a return within 30 days after
2 the proper notice and demand for signature by the Department is
3 received by the taxpayer, the return shall be considered valid
4 and any amount shown to be due on the return shall be deemed
5 assessed.

6 Section 60-25. Processor information returns. If it is
7 deemed necessary for the administration of this Article, the
8 Department may adopt rules that require processors to file
9 information returns regarding the sale of cannabis by
10 processors to dispensaries. The Department may require
11 processors to file all information returns by electronic means.

12 Section 60-30. Deposit of proceeds. All moneys received by
13 the Department under this Article shall be deposited into the
14 Cannabis Regulation Fund.

15 Section 60-35. Department administration and enforcement.
16 The Department shall have full power to administer and enforce
17 this Article, to collect all taxes, penalties, and interest due
18 hereunder, to dispose of taxes, penalties and interest so
19 collected in the manner hereinafter provided, and to determine
20 all rights to credit memoranda, arising on account of the
21 erroneous payment of tax, penalty, or interest hereunder. In
22 the administration of, and compliance with, this Article, the
23 Department and persons who are subject to this Article shall

1 have the same rights, remedies, privileges, immunities, powers
2 and duties, and be subject to the same conditions,
3 restrictions, limitations, penalties and definitions of terms,
4 and employ the same modes of procedure, as are prescribed in
5 Sections 1, 2-40, 2a, 2b, 2i, 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g,
6 5i, 5j, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of
7 the Retailers' Occupation Tax Act and all of the provisions of
8 the Uniform Penalty and Interest Act, which are not
9 inconsistent with this Article, as fully as if those provisions
10 were set forth herein. For purposes of this Section, references
11 in the Retailers' Occupation Tax Act to a "sale of tangible
12 personal property at retail" shall mean the "sale of cannabis
13 by a cultivator".

14 Section 60-40. Invoices. Every sales invoice for cannabis
15 issued by a cultivator to a cannabis establishment shall
16 contain the cultivator's certificate of registration number
17 assigned under this Article, date, invoice number, purchaser's
18 name and address, selling price, amount of cannabis,
19 concentrate, or cannabis-infused product, and any other
20 reasonable information as the Department may provide by rule is
21 necessary for the administration of this Article. Cultivators
22 shall retain the invoices for inspection by the Department.

23 Section 60-45. Rules. The Department may adopt rules
24 related to the enforcement of this Article.

1 ARTICLE 65.

2 CANNABIS PURCHASER EXCISE TAX

3 Section 65-1. Short title. This Article may be referred to
4 as the Cannabis Purchaser Excise Tax Law.

5 Section 65-5. Definitions. In this Article:

6 "Adjusted delta-9-tetrahydrocannabinol level" means, for a
7 delta-9-tetrahydrocannabinol dominant product, the sum of the
8 percentage of delta-9-tetrahydrocannabinol plus .877
9 multiplied by the percentage of tetrahydrocannabinolic acid.

10 "Cannabis" has the meaning given to that term in Article 1
11 of this Act, except that it does not include cannabis that is
12 subject to tax under the Compassionate Use of Medical Cannabis
13 Pilot Program Act.

14 "Cannabis-infused product" means beverage food, oils,
15 ointments, tincture, topical formulation, or another product
16 containing cannabis that is not intended to be smoked.

17 "Cannabis retailer" means a dispensing organization that
18 sells cannabis for use and not for resale.

19 "Craft grower" has the meaning given to that term in
20 Article 1 of this Act.

21 "Department" means the Department of Revenue.

22 "Director" means the Director of Revenue.

23 "Dispensing organization" or "dispensary" has the meaning

1 given to that term in Article 1 of this Act.

2 "Person" means a natural individual, firm, partnership,
3 association, joint stock company, joint adventure, public or
4 private corporation, limited liability company, or a receiver,
5 executor, trustee, guardian, or other representative appointed
6 by order of any court.

7 "Processor" means "processing organization" or "processor"
8 as defined in Article 1 of this Act.

9 "Purchase price" means the consideration paid for a
10 purchase of cannabis, valued in money, whether received in
11 money or otherwise, including cash, gift cards, credits, and
12 property and shall be determined without any deduction on
13 account of the cost of materials used, labor or service costs,
14 or any other expense whatsoever. However, "purchase price" does
15 not include consideration paid for:

16 (1) any charge for a payment that is not honored by a
17 financial institution;

18 (2) any finance or credit charge, penalty or charge for
19 delayed payment, or discount for prompt payment; and

20 (3) any amounts added to a purchaser's bill because of
21 charges made under the tax imposed by this Article, the
22 Municipal Cannabis Purchaser Excise Tax Law, the
23 Retailers' Occupation Tax Act, the Use Tax Act, the Service
24 Occupation Tax Act, the Service Use Tax Act, or any locally
25 imposed occupation or use tax.

26 "Purchaser" means a person who acquires cannabis for a

1 valuable consideration.

2 "Taxpayer" means a cannabis retailer who is required to
3 collect the tax imposed under this Article.

4 Section 65-10. Tax imposed.

5 (a) Beginning on January 1, 2020, a tax is imposed upon
6 purchases for the privilege of using cannabis at the following
7 rates:

8 (1) Any cannabis, other than a cannabis-infused
9 product, with an adjusted delta-9-tetrahydrocannabinol
10 level at or below 35% shall be taxed at a rate of 10% of the
11 purchase price;

12 (2) Any cannabis, other than a cannabis-infused
13 product, with an adjusted delta-9-tetrahydrocannabinol
14 level above 35% shall be taxed at a rate of 25% of the
15 purchase price; and

16 (3) A cannabis-infused product, shall be taxed at a
17 rate of 20%.

18 (b) The purchase of any product that contains any amount of
19 cannabis or any derivative thereof is subject to the tax under
20 subsection (a) of this Section.

21 (c) The tax imposed under this Section is not imposed on
22 cannabis that is subject to tax under the Compassionate Use of
23 Medical Cannabis Pilot Program Act. The tax imposed by this
24 Section is not imposed with respect to any transaction in
25 interstate commerce, to the extent the transaction may not,

1 under the Constitution and statutes of the United States, be
2 made the subject of taxation by this State.

3 (d) The tax imposed under this Article shall be in addition
4 to all other occupation, privilege, or excise taxes imposed by
5 the State of Illinois or by any municipal corporation or
6 political subdivision thereof.

7 (e) The tax imposed under this Article shall not be imposed
8 on any purchase by a purchaser if the cannabis retailer is
9 prohibited by federal or State Constitution, treaty,
10 convention, statute, or court decision from collecting the tax
11 from the purchaser.

12 Section 65-11. Bundling of taxable and nontaxable items;
13 prohibition; taxation. If a cannabis retailer sells cannabis,
14 concentrate, or cannabis-infused products in combination or
15 bundled with items that are not subject to tax under this Act
16 for one price in violation of the prohibition on this activity
17 under Section 15-70, then the tax under this Act is imposed on
18 the purchase price of the entire bundled product.

19 Section 65-15. Collection of tax.

20 (a) The tax imposed by this Article shall be collected from
21 the purchaser by the cannabis retailer at the rate stated in
22 Section 65-10 with respect to cannabis sold by the cannabis
23 retailer to the purchaser, and shall be remitted to the
24 Department as provided in Section 65-30. All sales to a

1 purchaser who is not a cardholder under the Compassionate Use
2 of Medical Cannabis Pilot Program Act are presumed subject to
3 tax collection. Cannabis retailers shall collect the tax from
4 purchasers by adding the tax to the amount of the purchase
5 price received from the purchaser for selling cannabis to the
6 purchaser. The tax imposed by this Article shall, when
7 collected, be stated as a distinct item separate and apart from
8 the purchase price of the cannabis.

9 (b) If a cannabis retailer collects Cannabis Purchaser
10 Excise Tax measured by a purchase price that is not subject to
11 Cannabis Purchaser Excise Tax, or if a cannabis retailer, in
12 collecting Cannabis Purchaser Excise Tax measured by a purchase
13 price that is subject to tax under this Act, collects more from
14 the purchaser than the required amount of the Cannabis
15 Purchaser Excise Tax on the transaction, the purchaser shall
16 have a legal right to claim a refund of that amount from the
17 cannabis retailer. If, however, that amount is not refunded to
18 the purchaser for any reason, the cannabis retailer is liable
19 to pay that amount to the Department.

20 (c) Any person purchasing cannabis subject to tax under
21 this Article as to which there has been no charge made to him
22 or her of the tax imposed by Section 65-10 shall make payment
23 of the tax imposed by Section 65-10 in the form and manner
24 provided by the Department not later than the 20th day of the
25 month following the month of purchase of the cannabis.

1 Section 65-20. Registration of cannabis retailers. Every
2 cannabis retailer required to collect the tax under this
3 Article shall apply to the Department for a certificate of
4 registration under this Article. All applications for
5 registration under this Article shall be made by electronic
6 means in the form and manner required by the Department. For
7 that purpose, the provisions of Section 2a of the Retailers'
8 Occupation Tax Act are incorporated into this Article to the
9 extent not inconsistent with this Article. In addition, no
10 certificate of registration shall be issued under this Article
11 unless the applicant is licensed under this Act.

12 Section 65-25. Tax collected as debt owed to State. Any
13 cannabis retailer required to collect the tax imposed by this
14 Article shall be liable to the Department for the tax, whether
15 or not the tax has been collected by the cannabis retailer, and
16 any such tax shall constitute a debt owed by the cannabis
17 retailer to this State. To the extent that a cannabis retailer
18 required to collect the tax imposed by this Act has actually
19 collected that tax, the tax is held in trust for the benefit of
20 the Department.

21 Section 65-30. Return and payment of tax by cannabis
22 retailer. Each cannabis retailer that is required or authorized
23 to collect the tax imposed by this Article shall make a return
24 to the Department, by electronic means, on or before the 20th

1 day of each month for the preceding calendar month stating the
2 following:

3 (1) the cannabis retailer's name;

4 (2) the address of the cannabis retailer's principal
5 place of business and the address of the principal place of
6 business (if that is a different address) from which the
7 cannabis retailer engaged in the business of selling
8 cannabis subject to tax under this Article;

9 (3) the total purchase price received by the cannabis
10 retailer for cannabis subject to tax under this Article;

11 (4) the amount of tax due at each rate;

12 (5) the signature of the cannabis retailer; and

13 (6) any other information as the Department may
14 reasonably require.

15 All returns required to be filed and payments required to
16 be made under this Article shall be by electronic means.
17 Cannabis retailers who demonstrate hardship in paying
18 electronically may petition the Department to waive the
19 electronic payment requirement.

20 Any amount that is required to be shown or reported on any
21 return or other document under this Article shall, if the
22 amount is not a whole-dollar amount, be increased to the
23 nearest whole-dollar amount if the fractional part of a dollar
24 is \$0.50 or more and decreased to the nearest whole-dollar
25 amount if the fractional part of a dollar is less than \$0.50.
26 If a total amount of less than \$1 is payable, refundable, or

1 creditable, the amount shall be disregarded if it is less than
2 \$0.50 and shall be increased to \$1 if it is \$0.50 or more. The
3 cannabis retailer making the return provided for in this
4 Section shall also pay to the Department, in accordance with
5 this Section, the amount of tax imposed by this Article, less a
6 discount of 1.75%, but not to exceed \$1,000 per return period,
7 which is allowed to reimburse the cannabis retailer for the
8 expenses incurred in keeping records, collecting tax,
9 preparing and filing returns, remitting the tax, and supplying
10 data to the Department upon request. No discount may be claimed
11 by a cannabis retailer on returns not timely filed and for
12 taxes not timely remitted. No discount may be claimed by a
13 taxpayer or for any payment that is not made electronically,
14 unless a waiver has been granted under this Section.

15 Notwithstanding any other provision in this Article
16 concerning the time within which a cannabis retailer may file a
17 return, any such cannabis retailer who ceases to engage in the
18 kind of business that makes the person responsible for filing
19 returns under this Article shall file a final return under this
20 Article with the Department within one month after
21 discontinuing the business.

22 Each cannabis retailer shall make estimated payments to the
23 Department on or before the 7th, 15th, 22nd, and last day of
24 the month during which tax liability to the Department is
25 incurred. The payments shall be in an amount not less than the
26 lower of either 22.5% of the cannabis retailer's actual tax

1 liability for the month or 25% of the cannabis retailer's
2 actual tax liability for the same calendar month of the
3 preceding year. The amount of the quarter-monthly payments
4 shall be credited against the final tax liability of the
5 cannabis retailer's return for that month. Except as otherwise
6 provided in this paragraph with respect to the cannabis
7 retailer's first year of paying tax under this Article, if any
8 such quarter-monthly payment is not paid at the time or in the
9 amount required by this Section, then the cannabis retailer
10 shall be liable for penalties and interest on the difference
11 between the minimum amount due as a payment and the amount of
12 the quarter-monthly payment actually and timely paid, except
13 insofar as the cannabis retailer has previously made payments
14 for that month to the Department in excess of the minimum
15 payments previously due as provided in this Section.

16 If any payment provided for in this Section exceeds the
17 taxpayer's liabilities under this Article, as shown on an
18 original monthly return, the Department shall, if requested by
19 the taxpayer, issue to the taxpayer a credit memorandum no
20 later than 30 days after the date of payment. The credit
21 evidenced by the credit memorandum may be assigned by the
22 taxpayer to a similar taxpayer under this Article, in
23 accordance with reasonable rules to be prescribed by the
24 Department. If no such request is made, the taxpayer may credit
25 the excess payment against tax liability subsequently to be
26 remitted to the Department under this Article, in accordance

1 with reasonable rules prescribed by the Department. If the
2 Department subsequently determines that all or any part of the
3 credit taken was not actually due to the taxpayer, the
4 taxpayer's discount shall be reduced, if necessary, to reflect
5 the difference between the credit taken and that actually due,
6 and that taxpayer shall be liable for penalties and interest on
7 the difference. If a cannabis retailer fails to sign a return
8 within 30 days after the proper notice and demand for signature
9 by the Department is received by the cannabis retailer, the
10 return shall be considered valid and any amount shown to be due
11 on the return shall be deemed assessed.

12 Section 65-35. Deposit of proceeds. All moneys received by
13 the Department under this Article shall be paid into the
14 Cannabis Regulation Fund.

15 Section 65-36. Recordkeeping; books and records.

16 (a) Every retailer of cannabis, whether or not the retailer
17 has obtained a certificate of registration under Section 65-20,
18 shall keep complete and accurate records of cannabis held,
19 purchased, sold, or otherwise disposed of, and shall preserve
20 and keep all invoices, bills of lading, sales records, and
21 copies of bills of sale, returns and other pertinent papers and
22 documents relating to the purchase, sale, or disposition of
23 cannabis. Such records need not be maintained on the licensed
24 premises but must be maintained in the State of Illinois.

1 However, all original invoices or copies thereof covering
2 purchases of cannabis must be retained on the licensed premises
3 for a period of 90 days after such purchase, unless the
4 Department has granted a waiver in response to a written
5 request in cases where records are kept at a central business
6 location within the State of Illinois. The Department shall
7 adopt rules regarding the eligibility for a waiver, revocation
8 of a waiver, and requirements and standards for maintenance and
9 accessibility of records located at a central location under a
10 waiver provided under this Section.

11 (b) Books, records, papers, and documents that are required
12 by this Law to be kept shall, at all times during the usual
13 business hours of the day, be subject to inspection by the
14 Department or its duly authorized agents and employees. The
15 books, records, papers, and documents for any period with
16 respect to which the Department is authorized to issue a notice
17 of tax liability shall be preserved until the expiration of
18 that period.

19 Section 65-38. Violations and penalties.

20 (a) When the amount due is under \$300, any retailer of
21 cannabis who fails to file a return, willfully fails or refuses
22 to make any payment to the Department of the tax imposed by
23 this Law, or files a fraudulent return, or any officer or agent
24 of a corporation engaged in the business of selling cannabis to
25 purchasers located in this State who signs a fraudulent return

1 filed on behalf of the corporation, or any accountant or other
2 agent who knowingly enters false information on the return of
3 any taxpayer under this Law is guilty of a Class 4 felony.

4 (b) When the amount due is \$300 or more, any retailer of
5 cannabis who files, or causes to be filed, a fraudulent return,
6 or any officer or agent of a corporation engaged in the
7 business of selling cannabis to purchasers located in this
8 State who files or causes to be filed or signs or causes to be
9 signed a fraudulent return filed on behalf of the corporation,
10 or any accountant or other agent who knowingly enters false
11 information on the return of any taxpayer under this Law is
12 guilty of a Class 3 felony.

13 (c) Any person who violates any provision of Section 65-20,
14 fails to keep books and records as required under this Law, or
15 willfully violates a rule of the Department for the
16 administration and enforcement of this Law is guilty of a Class
17 4 felony. A person commits a separate offense on each day that
18 he or she engages in business in violation of Section 65-20 or
19 a rule of the Department for the administration and enforcement
20 of this Law. If a person fails to produce the books and records
21 for inspection by the Department upon request, a prima facie
22 presumption shall arise that the person has failed to keep
23 books and records as required under this Law. A person who is
24 unable to rebut this presumption is in violation of this Law
25 and is subject to the penalties provided in this Section.

26 (d) Any person who violates any provision of Sections

1 65-20, fails to keep books and records as required under this
2 Law, or willfully violates a rule of the Department for the
3 administration and enforcement of this Law, is guilty of a
4 business offense and may be fined up to \$5,000. If a person
5 fails to produce books and records for inspection by the
6 Department upon request, a prima facie presumption shall arise
7 that the person has failed to keep books and records as
8 required under this Law. A person who is unable to rebut this
9 presumption is in violation of this Law and is subject to the
10 penalties provided in this Section. A person commits a separate
11 offense on each day that he or she engages in business in
12 violation of Section 65-20.

13 (e) Any taxpayer or agent of a taxpayer who with the intent
14 to defraud purports to make a payment due to the Department by
15 issuing or delivering a check or other order upon a real or
16 fictitious depository for the payment of money, knowing that it
17 will not be paid by the depository, is guilty of a deceptive
18 practice in violation of Section 17-1 of the Criminal Code of
19 2012.

20 (f) Any person who fails to keep books and records or fails
21 to produce books and records for inspection, as required by
22 Section 65-40, is liable to pay to the Department, for deposit
23 in the Tax Compliance and Administration Fund, a penalty of
24 \$1,000 for the first failure to keep books and records or
25 failure to produce books and records for inspection, as
26 required by Section 65-40, and \$3,000 for each subsequent

1 failure to keep books and records or failure to produce books
2 and records for inspection, as required by Section 30-36.

3 (g) Any person who knowingly acts as a retailer of cannabis
4 in this State without first having obtained a certificate of
5 registration to do so in compliance with Section 65-20 of this
6 Law shall be guilty of a Class 4 felony.

7 (h) A person commits the offense of tax evasion under this
8 Law when he or she knowingly attempts in any manner to evade or
9 defeat the tax imposed on him or her or on any other person, or
10 the payment thereof, and he or she commits an affirmative act
11 in furtherance of the evasion. As used in this Section,
12 "affirmative act in furtherance of the evasion" means an act
13 designed in whole or in part to (i) conceal, misrepresent,
14 falsify, or manipulate any material fact or (ii) tamper with or
15 destroy documents or materials related to a person's tax
16 liability under this Law. Two or more acts of sales tax evasion
17 may be charged as a single count in any indictment,
18 information, or complaint and the amount of tax deficiency may
19 be aggregated for purposes of determining the amount of tax
20 that is attempted to be or is evaded and the period between the
21 first and last acts may be alleged as the date of the offense.

22 (1) When the amount of tax, the assessment or payment
23 of which is attempted to be or is evaded is less than \$500
24 a person is guilty of a Class 4 felony.

25 (2) When the amount of tax, the assessment or payment
26 of which is attempted to be or is evaded is \$500 or more

1 but less than \$10,000, a person is guilty of a Class 3
2 felony.

3 (3) When the amount of tax, the assessment or payment
4 of which is attempted to be or is evaded is \$10,000 or more
5 but less than \$100,000, a person is guilty of a Class 2
6 felony.

7 (4) When the amount of tax, the assessment or payment
8 of which is attempted to be or is evaded is \$100,000 or
9 more, a person is guilty of a Class 1 felony.

10 Any person who knowingly sells, purchases, installs,
11 transfers, possesses, uses, or accesses any automated sales
12 suppression device, zapper, or phantom-ware in this State is
13 guilty of a Class 3 felony.

14 As used in this Section:

15 "Automated sales suppression device" or "zapper" means a
16 software program that falsifies the electronic records of an
17 electronic cash register or other point-of-sale system,
18 including, but not limited to, transaction data and transaction
19 reports. The term includes the software program, any device
20 that carries the software program, or an Internet link to the
21 software program.

22 "Phantom-ware" means a hidden programming option embedded
23 in the operating system of an electronic cash register or
24 hardwired into an electronic cash register that can be used to
25 create a second set of records or that can eliminate or
26 manipulate transaction records in an electronic cash register.

1 "Electronic cash register" means a device that keeps a
2 register or supporting documents through the use of an
3 electronic device or computer system designed to record
4 transaction data for the purpose of computing, compiling, or
5 processing retail sales transaction data in any manner.

6 "Transaction data" includes: items purchased by a
7 purchaser; the price of each item; a taxability determination
8 for each item; a segregated tax amount for each taxed item; the
9 amount of cash or credit tendered; the net amount returned to
10 the customer in change; the date and time of the purchase; the
11 name, address, and identification number of the vendor; and the
12 receipt or invoice number of the transaction.

13 "Transaction report" means a report that documents,
14 without limitation, the sales, taxes, or fees collected, media
15 totals, and discount voids at an electronic cash register and
16 that is printed on a cash register tape at the end of a day or
17 shift, or a report that documents every action at an electronic
18 cash register and is stored electronically.

19 A prosecution for any act in violation of this Section may
20 be commenced at any time within 5 years of the commission of
21 that act.

22 (i) The Department may adopt rules to administer the
23 penalties under this Section.

24 (j) Any person whose principal place of business is in this
25 State and who is charged with a violation under this Section
26 shall be tried in the county where his or her principal place

1 of business is located unless he or she asserts a right to be
2 tried in another venue.

3 (k) Except as otherwise provided in subsection (h), a
4 prosecution for a violation described in this Section may be
5 commenced within 3 years after the commission of the act
6 constituting the violation.

7 Section 65-40. Department administration and enforcement.
8 The Department shall have full power to administer and enforce
9 this Article, to collect all taxes and penalties due hereunder,
10 to dispose of taxes and penalties so collected in the manner
11 hereinafter provided, and to determine all rights to credit
12 memoranda, arising on account of the erroneous payment of tax
13 or penalty hereunder.

14 In the administration of, and compliance with, this
15 Article, the Department and persons who are subject to this
16 Article shall have the same rights, remedies, privileges,
17 immunities, powers and duties, and be subject to the same
18 conditions, restrictions, limitations, penalties, and
19 definitions of terms, and employ the same modes of procedure,
20 as are prescribed in Sections 2, 3-55, 3a, 4, 5, 7, 10a, 11,
21 12a, 12b, 14, 15, 19, 20, 21, and 22 of the Use Tax Act and
22 Sections 1, 2-12, 2b, 4 (except that the time limitation
23 provisions shall run from the date when the tax is due rather
24 than from the date when gross receipts are received), 5 (except
25 that the time limitation provisions on the issuance of notices

1 of tax liability shall run from the date when the tax is due
2 rather than from the date when gross receipts are received and
3 except that in the case of a failure to file a return required
4 by this Act, no notice of tax liability shall be issued on and
5 after each July 1 and January 1 covering tax due with that
6 return during any month or period more than 6 years before that
7 July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g,
8 5h, 5j, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation
9 Tax Act and all of the provisions of the Uniform Penalty and
10 Interest Act, which are not inconsistent with this Article, as
11 fully as if those provisions were set forth herein. References
12 in the incorporated Sections of the Retailers' Occupation Tax
13 Act and the Use Tax Act to retailers, to sellers, or to persons
14 engaged in the business of selling tangible personal property
15 mean cannabis retailers when used in this Article. References
16 in the incorporated Sections to sales of tangible personal
17 property mean sales of cannabis subject to tax under this
18 Article when used in this Article.

19 Section 65-41. Arrest; search and seizure without warrant.
20 Any duly authorized employee of the Department (i) may arrest
21 without warrant any person committing in his or her presence a
22 violation of any of the provisions of this Law, (ii) may
23 without a search warrant inspect all cannabis located in any
24 place of business, (iii) may seize any cannabis in the
25 possession of the retailer in violation of this Act, and (iv)

1 may seize any cannabis on which the tax imposed by Article 25
2 of this Act has not been paid. The cannabis so seized is
3 subject to confiscation and forfeiture as provided in Sections
4 65-42 and 65-43.

5 Section 65-42. Seizure and forfeiture. After seizing any
6 cannabis as provided in Section 65-41, the Department must hold
7 a hearing and determine whether the retailer was properly
8 registered to sell the cannabis at the time of its seizure by
9 the Department. The Department shall give not less than 20
10 days' notice of the time and place of the hearing to the owner
11 of the cannabis, if the owner is known, and also to the person
12 in whose possession the cannabis was found, if that person is
13 known and if the person in possession is not the owner of the
14 cannabis. If neither the owner nor the person in possession of
15 the cannabis is known, the Department must cause publication of
16 the time and place of the hearing to be made at least once in
17 each week for 3 weeks successively in a newspaper of general
18 circulation in the county where the hearing is to be held.

19 If, as the result of the hearing, the Department determines
20 that the retailer was not properly registered at the time the
21 cannabis was seized, the Department must enter an order
22 declaring the cannabis confiscated and forfeited to the State,
23 to be held by the Department for disposal by it as provided in
24 Section 65-43. The Department must give notice of the order to
25 the owner of the cannabis, if the owner is known, and also to

1 the person in whose possession the cannabis was found, if that
2 person is known and if the person in possession is not the
3 owner of the cannabis. If neither the owner nor the person in
4 possession of the cannabis is known, the Department must cause
5 publication of the order to be made at least once in each week
6 for 3 weeks successively in a newspaper of general circulation
7 in the county where the hearing was held.

8 Section 65-43. Search warrant; issuance and return;
9 process; confiscation of cannabis; forfeitures.

10 (a) If a peace officer of this State or any duly authorized
11 officer or employee of the Department has reason to believe
12 that any violation of this Law or a rule of the Department for
13 the administration and enforcement of this Law has occurred and
14 that the person violating this Law or rule has in that person's
15 possession any cannabis in violation of this Law or a rule of
16 the Department for the administration and enforcement of this
17 Law, that peace officer or officer or employee of the
18 Department may file or cause to be filed his or her complaint
19 in writing, verified by affidavit, with any court within whose
20 jurisdiction the premises to be searched are situated, stating
21 the facts upon which the belief is founded, the premises to be
22 searched, and the property to be seized, and procure a search
23 warrant and execute that warrant. Upon the execution of the
24 search warrant, the peace officer, or officer or employee of
25 the Department, executing the search warrant shall make due

1 return of the warrant to the court issuing the warrant,
2 together with an inventory of the property taken under the
3 warrant. The court must then issue process against the owner of
4 the property if the owner is known; otherwise, process must be
5 issued against the person in whose possession the property is
6 found, if that person is known. In case of inability to serve
7 process upon the owner or the person in possession of the
8 property at the time of its seizure, notice of the proceedings
9 before the court must be given in the same manner as required
10 by the law governing cases of attachment. Upon the return of
11 the process duly served or upon the posting or publishing of
12 notice made, as appropriate, the court or jury, if a jury is
13 demanded, shall proceed to determine whether the property so
14 seized was held or possessed in violation of this Law or a rule
15 of the Department for the administration and enforcement of
16 this Law. If a violation is found, judgment shall be entered
17 confiscating the property and forfeiting it to the State and
18 ordering its delivery to the Department. In addition, the court
19 may tax and assess the costs of the proceedings.

20 (b) When any cannabis has been declared forfeited to the
21 State by the Department, as provided in Sections 65-42 and this
22 Section, and when all proceedings for the judicial review of
23 the Department's decision have terminated, the Department
24 shall, to the extent that its decision is sustained on review,
25 destroy or maintain and use such cannabis in an undercover
26 capacity.

1 (c) The Department may, before any destruction of cannabis,
2 permit the true holder of trademark rights in the cannabis to
3 inspect such cannabis in order to assist the Department in any
4 investigation regarding such cannabis.

5 Section 65-45. Cannabis retailers; purchase and possession
6 of cannabis. Cannabis retailers shall purchase cannabis for
7 resale only from cannabis establishments as authorized by this
8 Act.

9 Section 65-50. Rulemaking. The Department may adopt rules
10 in accordance with the Illinois Administrative Procedure Act
11 and prescribe forms relating to the administration and
12 enforcement of this Article as it deems appropriate.

13 ARTICLE 900.

14 AMENDATORY PROVISIONS

15 Section 900-5. The Illinois Administrative Procedure Act
16 is amended by changing Section 5-45 as follows:

17 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

18 Sec. 5-45. Emergency rulemaking.

19 (a) "Emergency" means the existence of any situation that
20 any agency finds reasonably constitutes a threat to the public
21 interest, safety, or welfare.

1 (b) If any agency finds that an emergency exists that
2 requires adoption of a rule upon fewer days than is required by
3 Section 5-40 and states in writing its reasons for that
4 finding, the agency may adopt an emergency rule without prior
5 notice or hearing upon filing a notice of emergency rulemaking
6 with the Secretary of State under Section 5-70. The notice
7 shall include the text of the emergency rule and shall be
8 published in the Illinois Register. Consent orders or other
9 court orders adopting settlements negotiated by an agency may
10 be adopted under this Section. Subject to applicable
11 constitutional or statutory provisions, an emergency rule
12 becomes effective immediately upon filing under Section 5-65 or
13 at a stated date less than 10 days thereafter. The agency's
14 finding and a statement of the specific reasons for the finding
15 shall be filed with the rule. The agency shall take reasonable
16 and appropriate measures to make emergency rules known to the
17 persons who may be affected by them.

18 (c) An emergency rule may be effective for a period of not
19 longer than 150 days, but the agency's authority to adopt an
20 identical rule under Section 5-40 is not precluded. No
21 emergency rule may be adopted more than once in any 24-month
22 period, except that this limitation on the number of emergency
23 rules that may be adopted in a 24-month period does not apply
24 to (i) emergency rules that make additions to and deletions
25 from the Drug Manual under Section 5-5.16 of the Illinois
26 Public Aid Code or the generic drug formulary under Section

1 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
2 emergency rules adopted by the Pollution Control Board before
3 July 1, 1997 to implement portions of the Livestock Management
4 Facilities Act, (iii) emergency rules adopted by the Illinois
5 Department of Public Health under subsections (a) through (i)
6 of Section 2 of the Department of Public Health Act when
7 necessary to protect the public's health, (iv) emergency rules
8 adopted pursuant to subsection (n) of this Section, (v)
9 emergency rules adopted pursuant to subsection (o) of this
10 Section, or (vi) emergency rules adopted pursuant to subsection
11 (c-5) of this Section. Two or more emergency rules having
12 substantially the same purpose and effect shall be deemed to be
13 a single rule for purposes of this Section.

14 (c-5) To facilitate the maintenance of the program of group
15 health benefits provided to annuitants, survivors, and retired
16 employees under the State Employees Group Insurance Act of
17 1971, rules to alter the contributions to be paid by the State,
18 annuitants, survivors, retired employees, or any combination
19 of those entities, for that program of group health benefits,
20 shall be adopted as emergency rules. The adoption of those
21 rules shall be considered an emergency and necessary for the
22 public interest, safety, and welfare.

23 (d) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 1999 budget,
25 emergency rules to implement any provision of Public Act 90-587
26 or 90-588 or any other budget initiative for fiscal year 1999

1 may be adopted in accordance with this Section by the agency
2 charged with administering that provision or initiative,
3 except that the 24-month limitation on the adoption of
4 emergency rules and the provisions of Sections 5-115 and 5-125
5 do not apply to rules adopted under this subsection (d). The
6 adoption of emergency rules authorized by this subsection (d)
7 shall be deemed to be necessary for the public interest,
8 safety, and welfare.

9 (e) In order to provide for the expeditious and timely
10 implementation of the State's fiscal year 2000 budget,
11 emergency rules to implement any provision of Public Act 91-24
12 or any other budget initiative for fiscal year 2000 may be
13 adopted in accordance with this Section by the agency charged
14 with administering that provision or initiative, except that
15 the 24-month limitation on the adoption of emergency rules and
16 the provisions of Sections 5-115 and 5-125 do not apply to
17 rules adopted under this subsection (e). The adoption of
18 emergency rules authorized by this subsection (e) shall be
19 deemed to be necessary for the public interest, safety, and
20 welfare.

21 (f) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 2001 budget,
23 emergency rules to implement any provision of Public Act 91-712
24 or any other budget initiative for fiscal year 2001 may be
25 adopted in accordance with this Section by the agency charged
26 with administering that provision or initiative, except that

1 the 24-month limitation on the adoption of emergency rules and
2 the provisions of Sections 5-115 and 5-125 do not apply to
3 rules adopted under this subsection (f). The adoption of
4 emergency rules authorized by this subsection (f) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare.

7 (g) In order to provide for the expeditious and timely
8 implementation of the State's fiscal year 2002 budget,
9 emergency rules to implement any provision of Public Act 92-10
10 or any other budget initiative for fiscal year 2002 may be
11 adopted in accordance with this Section by the agency charged
12 with administering that provision or initiative, except that
13 the 24-month limitation on the adoption of emergency rules and
14 the provisions of Sections 5-115 and 5-125 do not apply to
15 rules adopted under this subsection (g). The adoption of
16 emergency rules authorized by this subsection (g) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare.

19 (h) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2003 budget,
21 emergency rules to implement any provision of Public Act 92-597
22 or any other budget initiative for fiscal year 2003 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (h). The adoption of
2 emergency rules authorized by this subsection (h) shall be
3 deemed to be necessary for the public interest, safety, and
4 welfare.

5 (i) In order to provide for the expeditious and timely
6 implementation of the State's fiscal year 2004 budget,
7 emergency rules to implement any provision of Public Act 93-20
8 or any other budget initiative for fiscal year 2004 may be
9 adopted in accordance with this Section by the agency charged
10 with administering that provision or initiative, except that
11 the 24-month limitation on the adoption of emergency rules and
12 the provisions of Sections 5-115 and 5-125 do not apply to
13 rules adopted under this subsection (i). The adoption of
14 emergency rules authorized by this subsection (i) shall be
15 deemed to be necessary for the public interest, safety, and
16 welfare.

17 (j) In order to provide for the expeditious and timely
18 implementation of the provisions of the State's fiscal year
19 2005 budget as provided under the Fiscal Year 2005 Budget
20 Implementation (Human Services) Act, emergency rules to
21 implement any provision of the Fiscal Year 2005 Budget
22 Implementation (Human Services) Act may be adopted in
23 accordance with this Section by the agency charged with
24 administering that provision, except that the 24-month
25 limitation on the adoption of emergency rules and the
26 provisions of Sections 5-115 and 5-125 do not apply to rules

1 adopted under this subsection (j). The Department of Public Aid
2 may also adopt rules under this subsection (j) necessary to
3 administer the Illinois Public Aid Code and the Children's
4 Health Insurance Program Act. The adoption of emergency rules
5 authorized by this subsection (j) shall be deemed to be
6 necessary for the public interest, safety, and welfare.

7 (k) In order to provide for the expeditious and timely
8 implementation of the provisions of the State's fiscal year
9 2006 budget, emergency rules to implement any provision of
10 Public Act 94-48 or any other budget initiative for fiscal year
11 2006 may be adopted in accordance with this Section by the
12 agency charged with administering that provision or
13 initiative, except that the 24-month limitation on the adoption
14 of emergency rules and the provisions of Sections 5-115 and
15 5-125 do not apply to rules adopted under this subsection (k).
16 The Department of Healthcare and Family Services may also adopt
17 rules under this subsection (k) necessary to administer the
18 Illinois Public Aid Code, the Senior Citizens and Persons with
19 Disabilities Property Tax Relief Act, the Senior Citizens and
20 Disabled Persons Prescription Drug Discount Program Act (now
21 the Illinois Prescription Drug Discount Program Act), and the
22 Children's Health Insurance Program Act. The adoption of
23 emergency rules authorized by this subsection (k) shall be
24 deemed to be necessary for the public interest, safety, and
25 welfare.

26 (l) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2007 budget, the Department of Healthcare and Family Services
3 may adopt emergency rules during fiscal year 2007, including
4 rules effective July 1, 2007, in accordance with this
5 subsection to the extent necessary to administer the
6 Department's responsibilities with respect to amendments to
7 the State plans and Illinois waivers approved by the federal
8 Centers for Medicare and Medicaid Services necessitated by the
9 requirements of Title XIX and Title XXI of the federal Social
10 Security Act. The adoption of emergency rules authorized by
11 this subsection (l) shall be deemed to be necessary for the
12 public interest, safety, and welfare.

13 (m) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2008 budget, the Department of Healthcare and Family Services
16 may adopt emergency rules during fiscal year 2008, including
17 rules effective July 1, 2008, in accordance with this
18 subsection to the extent necessary to administer the
19 Department's responsibilities with respect to amendments to
20 the State plans and Illinois waivers approved by the federal
21 Centers for Medicare and Medicaid Services necessitated by the
22 requirements of Title XIX and Title XXI of the federal Social
23 Security Act. The adoption of emergency rules authorized by
24 this subsection (m) shall be deemed to be necessary for the
25 public interest, safety, and welfare.

26 (n) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2010 budget, emergency rules to implement any provision of
3 Public Act 96-45 or any other budget initiative authorized by
4 the 96th General Assembly for fiscal year 2010 may be adopted
5 in accordance with this Section by the agency charged with
6 administering that provision or initiative. The adoption of
7 emergency rules authorized by this subsection (n) shall be
8 deemed to be necessary for the public interest, safety, and
9 welfare. The rulemaking authority granted in this subsection
10 (n) shall apply only to rules promulgated during Fiscal Year
11 2010.

12 (o) In order to provide for the expeditious and timely
13 implementation of the provisions of the State's fiscal year
14 2011 budget, emergency rules to implement any provision of
15 Public Act 96-958 or any other budget initiative authorized by
16 the 96th General Assembly for fiscal year 2011 may be adopted
17 in accordance with this Section by the agency charged with
18 administering that provision or initiative. The adoption of
19 emergency rules authorized by this subsection (o) is deemed to
20 be necessary for the public interest, safety, and welfare. The
21 rulemaking authority granted in this subsection (o) applies
22 only to rules promulgated on or after July 1, 2010 (the
23 effective date of Public Act 96-958) through June 30, 2011.

24 (p) In order to provide for the expeditious and timely
25 implementation of the provisions of Public Act 97-689,
26 emergency rules to implement any provision of Public Act 97-689

1 may be adopted in accordance with this subsection (p) by the
2 agency charged with administering that provision or
3 initiative. The 150-day limitation of the effective period of
4 emergency rules does not apply to rules adopted under this
5 subsection (p), and the effective period may continue through
6 June 30, 2013. The 24-month limitation on the adoption of
7 emergency rules does not apply to rules adopted under this
8 subsection (p). The adoption of emergency rules authorized by
9 this subsection (p) is deemed to be necessary for the public
10 interest, safety, and welfare.

11 (q) In order to provide for the expeditious and timely
12 implementation of the provisions of Articles 7, 8, 9, 11, and
13 12 of Public Act 98-104, emergency rules to implement any
14 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
15 may be adopted in accordance with this subsection (q) by the
16 agency charged with administering that provision or
17 initiative. The 24-month limitation on the adoption of
18 emergency rules does not apply to rules adopted under this
19 subsection (q). The adoption of emergency rules authorized by
20 this subsection (q) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (r) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 98-651,
24 emergency rules to implement Public Act 98-651 may be adopted
25 in accordance with this subsection (r) by the Department of
26 Healthcare and Family Services. The 24-month limitation on the

1 adoption of emergency rules does not apply to rules adopted
2 under this subsection (r). The adoption of emergency rules
3 authorized by this subsection (r) is deemed to be necessary for
4 the public interest, safety, and welfare.

5 (s) In order to provide for the expeditious and timely
6 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
7 the Illinois Public Aid Code, emergency rules to implement any
8 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
9 Public Aid Code may be adopted in accordance with this
10 subsection (s) by the Department of Healthcare and Family
11 Services. The rulemaking authority granted in this subsection
12 (s) shall apply only to those rules adopted prior to July 1,
13 2015. Notwithstanding any other provision of this Section, any
14 emergency rule adopted under this subsection (s) shall only
15 apply to payments made for State fiscal year 2015. The adoption
16 of emergency rules authorized by this subsection (s) is deemed
17 to be necessary for the public interest, safety, and welfare.

18 (t) In order to provide for the expeditious and timely
19 implementation of the provisions of Article II of Public Act
20 99-6, emergency rules to implement the changes made by Article
21 II of Public Act 99-6 to the Emergency Telephone System Act may
22 be adopted in accordance with this subsection (t) by the
23 Department of State Police. The rulemaking authority granted in
24 this subsection (t) shall apply only to those rules adopted
25 prior to July 1, 2016. The 24-month limitation on the adoption
26 of emergency rules does not apply to rules adopted under this

1 subsection (t). The adoption of emergency rules authorized by
2 this subsection (t) is deemed to be necessary for the public
3 interest, safety, and welfare.

4 (u) In order to provide for the expeditious and timely
5 implementation of the provisions of the Burn Victims Relief
6 Act, emergency rules to implement any provision of the Act may
7 be adopted in accordance with this subsection (u) by the
8 Department of Insurance. The rulemaking authority granted in
9 this subsection (u) shall apply only to those rules adopted
10 prior to December 31, 2015. The adoption of emergency rules
11 authorized by this subsection (u) is deemed to be necessary for
12 the public interest, safety, and welfare.

13 (v) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 99-516,
15 emergency rules to implement Public Act 99-516 may be adopted
16 in accordance with this subsection (v) by the Department of
17 Healthcare and Family Services. The 24-month limitation on the
18 adoption of emergency rules does not apply to rules adopted
19 under this subsection (v). The adoption of emergency rules
20 authorized by this subsection (v) is deemed to be necessary for
21 the public interest, safety, and welfare.

22 (w) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 99-796,
24 emergency rules to implement the changes made by Public Act
25 99-796 may be adopted in accordance with this subsection (w) by
26 the Adjutant General. The adoption of emergency rules

1 authorized by this subsection (w) is deemed to be necessary for
2 the public interest, safety, and welfare.

3 (x) In order to provide for the expeditious and timely
4 implementation of the provisions of Public Act 99-906,
5 emergency rules to implement subsection (i) of Section 16-115D,
6 subsection (g) of Section 16-128A, and subsection (a) of
7 Section 16-128B of the Public Utilities Act may be adopted in
8 accordance with this subsection (x) by the Illinois Commerce
9 Commission. The rulemaking authority granted in this
10 subsection (x) shall apply only to those rules adopted within
11 180 days after June 1, 2017 (the effective date of Public Act
12 99-906). The adoption of emergency rules authorized by this
13 subsection (x) is deemed to be necessary for the public
14 interest, safety, and welfare.

15 (y) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 100-23,
17 emergency rules to implement the changes made by Public Act
18 100-23 to Section 4.02 of the Illinois Act on the Aging,
19 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
20 Section 55-30 of the Alcoholism and Other Drug Abuse and
21 Dependency Act, and Sections 74 and 75 of the Mental Health and
22 Developmental Disabilities Administrative Act may be adopted
23 in accordance with this subsection (y) by the respective
24 Department. The adoption of emergency rules authorized by this
25 subsection (y) is deemed to be necessary for the public
26 interest, safety, and welfare.

1 (z) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 100-554,
3 emergency rules to implement the changes made by Public Act
4 100-554 to Section 4.7 of the Lobbyist Registration Act may be
5 adopted in accordance with this subsection (z) by the Secretary
6 of State. The adoption of emergency rules authorized by this
7 subsection (z) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (aa) In order to provide for the expeditious and timely
10 initial implementation of the changes made to Articles 5, 5A,
11 12, and 14 of the Illinois Public Aid Code under the provisions
12 of Public Act 100-581, the Department of Healthcare and Family
13 Services may adopt emergency rules in accordance with this
14 subsection (aa). The 24-month limitation on the adoption of
15 emergency rules does not apply to rules to initially implement
16 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
17 Public Aid Code adopted under this subsection (aa). The
18 adoption of emergency rules authorized by this subsection (aa)
19 is deemed to be necessary for the public interest, safety, and
20 welfare.

21 (bb) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-587,
23 emergency rules to implement the changes made by Public Act
24 100-587 to Section 4.02 of the Illinois Act on the Aging,
25 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
26 subsection (b) of Section 55-30 of the Alcoholism and Other

1 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
2 Mental Health Rehabilitation Act of 2013, and Section 75 and
3 subsection (b) of Section 74 of the Mental Health and
4 Developmental Disabilities Administrative Act may be adopted
5 in accordance with this subsection (bb) by the respective
6 Department. The adoption of emergency rules authorized by this
7 subsection (bb) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (cc) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 100-587,
11 emergency rules may be adopted in accordance with this
12 subsection (cc) to implement the changes made by Public Act
13 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
14 Pension Code by the Board created under Article 14 of the Code;
15 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
16 the Board created under Article 15 of the Code; and Sections
17 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
18 created under Article 16 of the Code. The adoption of emergency
19 rules authorized by this subsection (cc) is deemed to be
20 necessary for the public interest, safety, and welfare.

21 (dd) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-864,
23 emergency rules to implement the changes made by Public Act
24 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
25 may be adopted in accordance with this subsection (dd) by the
26 Secretary of State. The adoption of emergency rules authorized

1 by this subsection (dd) is deemed to be necessary for the
2 public interest, safety, and welfare.

3 (ee) In order to provide for the expeditious and timely
4 implementation of the provisions of this amendatory Act of the
5 100th General Assembly, emergency rules implementing the
6 Illinois Underground Natural Gas Storage Safety Act may be
7 adopted in accordance with this subsection by the Department of
8 Natural Resources. The adoption of emergency rules authorized
9 by this subsection is deemed to be necessary for the public
10 interest, safety, and welfare.

11 (ff) In order to provide for the expeditious and timely
12 implementation of the provisions of this amendatory Act of the
13 101st General Assembly, emergency rules may be adopted by the
14 Department of Labor in accordance with this subsection (ff) to
15 implement the changes made by this amendatory Act of the 101st
16 General Assembly to the Minimum Wage Law. The adoption of
17 emergency rules authorized by this subsection (ff) is deemed to
18 be necessary for the public interest, safety, and welfare.

19 (gg) In order to provide for the expeditious and timely
20 implementation of the Cannabis Regulation and Tax Act and this
21 amendatory Act of the 101st General Assembly, the Department of
22 Revenue, the Department of Public Health, the Department of
23 Agriculture, the Department of State Police, and the Department
24 of Financial and Professional Regulation may adopt emergency
25 rules in accordance with this subsection (gg). The rulemaking
26 authority granted in this subsection (gg) shall apply only to

1 rules adopted before December 31, 2021. Notwithstanding the
2 provisions of subsection (c), emergency rules adopted under
3 this subsection (gg) shall be effective for 180 days. The
4 adoption of emergency rules authorized by this subsection (gg)
5 is deemed to be necessary for the public interest, safety, and
6 welfare.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
8 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
9 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
10 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 101-1, eff.
11 2-19-19.)

12 Section 900-10. The Department of Revenue Law of the Civil
13 Administrative Code of Illinois is amended by changing Section
14 2505-210 as follows:

15 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

16 Sec. 2505-210. Electronic funds transfer.

17 (a) The Department may provide means by which persons
18 having a tax liability under any Act administered by the
19 Department may use electronic funds transfer to pay the tax
20 liability.

21 (b) Mandatory payment by electronic funds transfer. Except
22 as otherwise provided in a tax Act administered by the
23 Department Beginning on October 1, 2002, and through September
24 30, 2010, a taxpayer who has an annual tax liability of

1 \$200,000 or more shall make all payments of that tax to the
2 Department by electronic funds transfer. Beginning October 1,
3 2010, a taxpayer (other than an individual taxpayer) who has an
4 annual tax liability of \$20,000 or more and an individual
5 taxpayer who has an annual tax liability of \$200,000 or more
6 shall make all payments of that tax to the Department by
7 electronic funds transfer. Before August 1 of each year,
8 beginning in 2002, the Department shall notify all taxpayers
9 required to make payments by electronic funds transfer. All
10 taxpayers required to make payments by electronic funds
11 transfer shall make those payments for a minimum of one year
12 beginning on October 1. For purposes of this subsection (b),
13 the term "annual tax liability" means, except as provided in
14 subsections (c) and (d) of this Section, the sum of the
15 taxpayer's liabilities under a tax Act administered by the
16 Department for the immediately preceding calendar year.

17 (c) For purposes of subsection (b), the term "annual tax
18 liability" means, for a taxpayer that incurs a tax liability
19 under the Retailers' Occupation Tax Act, Service Occupation Tax
20 Act, Use Tax Act, Service Use Tax Act, or any other State or
21 local occupation or use tax law that is administered by the
22 Department, the sum of the taxpayer's liabilities under the
23 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use
24 Tax Act, Service Use Tax Act, and all other State and local
25 occupation and use tax laws administered by the Department for
26 the immediately preceding calendar year.

1 (d) For purposes of subsection (b), the term "annual tax
2 liability" means, for a taxpayer that incurs an Illinois income
3 tax liability, the greater of:

4 (1) the amount of the taxpayer's tax liability under
5 Article 7 of the Illinois Income Tax Act for the
6 immediately preceding calendar year; or

7 (2) the taxpayer's estimated tax payment obligation
8 under Article 8 of the Illinois Income Tax Act for the
9 immediately preceding calendar year.

10 (e) The Department shall adopt such rules as are necessary
11 to effectuate a program of electronic funds transfer and the
12 requirements of this Section.

13 (Source: P.A. 100-1171, eff. 1-4-19.)

14 Section 900-12. The Criminal Identification Act is amended
15 by changing Section 5.2 as follows:

16 (20 ILCS 2630/5.2)

17 Sec. 5.2. Expungement, sealing, and immediate sealing.

18 (a) General Provisions.

19 (1) Definitions. In this Act, words and phrases have
20 the meanings set forth in this subsection, except when a
21 particular context clearly requires a different meaning.

22 (A) The following terms shall have the meanings
23 ascribed to them in the Unified Code of Corrections,
24 730 ILCS 5/5-1-2 through 5/5-1-22:

- (i) Business Offense (730 ILCS 5/5-1-2),
- (ii) Charge (730 ILCS 5/5-1-3),
- (iii) Court (730 ILCS 5/5-1-6),
- (iv) Defendant (730 ILCS 5/5-1-7),
- (v) Felony (730 ILCS 5/5-1-9),
- (vi) Imprisonment (730 ILCS 5/5-1-10),
- (vii) Judgment (730 ILCS 5/5-1-12),
- (viii) Misdemeanor (730 ILCS 5/5-1-14),
- (ix) Offense (730 ILCS 5/5-1-15),
- (x) Parole (730 ILCS 5/5-1-16),
- (xi) Petty Offense (730 ILCS 5/5-1-17),
- (xii) Probation (730 ILCS 5/5-1-18),
- (xiii) Sentence (730 ILCS 5/5-1-19),
- (xiv) Supervision (730 ILCS 5/5-1-21),
- (xv) Victim (730 ILCS 5/5-1-22).

(B) As used in this Section, "charge not initiated by arrest" means a charge (as defined by 730 ILCS 5/5-1-3) brought against a defendant where the defendant is not arrested prior to or as a direct result of the charge.

(C) "Conviction" means a judgment of conviction or sentence entered upon a plea of guilty or upon a verdict or finding of guilty of an offense, rendered by a legally constituted jury or by a court of competent jurisdiction authorized to try the case without a jury.

An order of supervision successfully completed by the

1 petitioner is not a conviction. An order of qualified
2 probation (as defined in subsection (a)(1)(J))
3 successfully completed by the petitioner is not a
4 conviction. An order of supervision or an order of
5 qualified probation that is terminated
6 unsatisfactorily is a conviction, unless the
7 unsatisfactory termination is reversed, vacated, or
8 modified and the judgment of conviction, if any, is
9 reversed or vacated.

10 (D) "Criminal offense" means a petty offense,
11 business offense, misdemeanor, felony, or municipal
12 ordinance violation (as defined in subsection
13 (a)(1)(H)). As used in this Section, a minor traffic
14 offense (as defined in subsection (a)(1)(G)) shall not
15 be considered a criminal offense.

16 (E) "Expunge" means to physically destroy the
17 records or return them to the petitioner and to
18 obliterate the petitioner's name from any official
19 index or public record, or both. Nothing in this Act
20 shall require the physical destruction of the circuit
21 court file, but such records relating to arrests or
22 charges, or both, ordered expunged shall be impounded
23 as required by subsections (d)(9)(A)(ii) and
24 (d)(9)(B)(ii).

25 (F) As used in this Section, "last sentence" means
26 the sentence, order of supervision, or order of

1 qualified probation (as defined by subsection
2 (a)(1)(J)), for a criminal offense (as defined by
3 subsection (a)(1)(D)) that terminates last in time in
4 any jurisdiction, regardless of whether the petitioner
5 has included the criminal offense for which the
6 sentence or order of supervision or qualified
7 probation was imposed in his or her petition. If
8 multiple sentences, orders of supervision, or orders
9 of qualified probation terminate on the same day and
10 are last in time, they shall be collectively considered
11 the "last sentence" regardless of whether they were
12 ordered to run concurrently.

13 (G) "Minor traffic offense" means a petty offense,
14 business offense, or Class C misdemeanor under the
15 Illinois Vehicle Code or a similar provision of a
16 municipal or local ordinance.

17 (G-5) "Minor violation of the Cannabis Control
18 Act" means one or more arrest, charge not initiated by
19 arrest, conviction, order of supervision, or order of
20 qualified probation (as defined in subsection
21 (a)(1)(J)) for a Class 4 felony or misdemeanor
22 violation of Section 4, 5, or 8 of the Cannabis Control
23 Act, provided that (i) the individual did not receive a
24 penalty enhancement under Section 7 of the Cannabis
25 Control Act and (ii) the minor violation of the
26 Cannabis Control Act was the only offense associated

1 with the arrest, charge not initiated by arrest,
2 conviction, order of supervision, or order of
3 qualified probation to be expunged.

4 (H) "Municipal ordinance violation" means an
5 offense defined by a municipal or local ordinance that
6 is criminal in nature and with which the petitioner was
7 charged or for which the petitioner was arrested and
8 released without charging.

9 (I) "Petitioner" means an adult or a minor
10 prosecuted as an adult who has applied for relief under
11 this Section.

12 (J) "Qualified probation" means an order of
13 probation under Section 10 of the Cannabis Control Act,
14 Section 410 of the Illinois Controlled Substances Act,
15 Section 70 of the Methamphetamine Control and
16 Community Protection Act, Section 5-6-3.3 or 5-6-3.4
17 of the Unified Code of Corrections, Section
18 12-4.3(b)(1) and (2) of the Criminal Code of 1961 (as
19 those provisions existed before their deletion by
20 Public Act 89-313), Section 10-102 of the Illinois
21 Alcoholism and Other Drug Dependency Act, Section
22 40-10 of the Substance Use Disorder Act, or Section 10
23 of the Steroid Control Act. For the purpose of this
24 Section, "successful completion" of an order of
25 qualified probation under Section 10-102 of the
26 Illinois Alcoholism and Other Drug Dependency Act and

1 Section 40-10 of the Substance Use Disorder Act means
2 that the probation was terminated satisfactorily and
3 the judgment of conviction was vacated.

4 (K) "Seal" means to physically and electronically
5 maintain the records, unless the records would
6 otherwise be destroyed due to age, but to make the
7 records unavailable without a court order, subject to
8 the exceptions in Sections 12 and 13 of this Act. The
9 petitioner's name shall also be obliterated from the
10 official index required to be kept by the circuit court
11 clerk under Section 16 of the Clerks of Courts Act, but
12 any index issued by the circuit court clerk before the
13 entry of the order to seal shall not be affected.

14 (L) "Sexual offense committed against a minor" includes but is not limited to the offenses of indecent solicitation of a child or criminal sexual abuse when the victim of such offense is under 18 years of age.

18 (M) "Terminate" as it relates to a sentence or
19 order of supervision or qualified probation includes
20 either satisfactory or unsatisfactory termination of
21 the sentence, unless otherwise specified in this
22 Section. A sentence is terminated notwithstanding any
23 outstanding financial legal obligation.

24 (2) Minor Traffic Offenses. Orders of supervision or
25 convictions for minor traffic offenses shall not affect a
26 petitioner's eligibility to expunge or seal records

1 pursuant to this Section.

2 (2.5) Commencing 180 days after July 29, 2016 (the
3 effective date of Public Act 99-697), the law enforcement
4 agency issuing the citation shall automatically expunge,
5 on or before January 1 and July 1 of each year, the law
6 enforcement records of a person found to have committed a
7 civil law violation of subsection (a) of Section 4 of the
8 Cannabis Control Act or subsection (c) of Section 3.5 of
9 the Drug Paraphernalia Control Act in the law enforcement
10 agency's possession or control and which contains the final
11 satisfactory disposition which pertain to the person
12 issued a citation for that offense. The law enforcement
13 agency shall provide by rule the process for access,
14 review, and to confirm the automatic expungement by the law
15 enforcement agency issuing the citation. Commencing 180
16 days after July 29, 2016 (the effective date of Public Act
17 99-697), the clerk of the circuit court shall expunge, upon
18 order of the court, or in the absence of a court order on
19 or before January 1 and July 1 of each year, the court
20 records of a person found in the circuit court to have
21 committed a civil law violation of subsection (a) of
22 Section 4 of the Cannabis Control Act or subsection (c) of
23 Section 3.5 of the Drug Paraphernalia Control Act in the
24 clerk's possession or control and which contains the final
25 satisfactory disposition which pertain to the person
26 issued a citation for any of those offenses.

(3) Exclusions. Except as otherwise provided in subsections (b) (5), (b) (6), (b) (8), (e), (e-5), and (e-6) of this Section, the court shall not order:

(A) the sealing or expungement of the records of arrests or charges not initiated by arrest that result in an order of supervision for or conviction of: (i) any sexual offense committed against a minor; (ii) Section 11-501 of the Illinois Vehicle Code or a similar provision of a local ordinance; or (iii) Section 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance, unless the arrest or charge is for a misdemeanor violation of subsection (a) of Section 11-503 or a similar provision of a local ordinance, that occurred prior to the offender reaching the age of 25 years and the offender has no other conviction for violating Section 11-501 or 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance.

(B) the sealing or expungement of records of minor traffic offenses (as defined in subsection (a)(1)(G)), unless the petitioner was arrested and released without charging.

(C) the sealing of the records of arrests or charges not initiated by arrest which result in an order of supervision or a conviction for the following offenses:

(i) offenses included in Article 11 of the Criminal Code of 1961 or the Criminal Code of 2012 or a similar provision of a local ordinance, except Section 11-14 and a misdemeanor violation of Section 11-30 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance;

(ii) Section 11-1.50, 12-3.4, 12-15, 12-30, 26-5, or 48-1 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance;

(iii) Sections 12-3.1 or 12-3.2 of the Criminal Code of 1961 or the Criminal Code of 2012, or Section 125 of the Stalking No Contact Order Act, or Section 219 of the Civil No Contact Order Act, or a similar provision of a local ordinance;

(iv) Class A misdemeanors or felony offenses under the Humane Care for Animals Act; or

(v) any offense or attempted offense that would subject a person to registration under the Sex Offender Registration Act.

(D) (blank).

(b) Expungement.

(1) A petitioner may petition the circuit court to expunge the records of his or her arrests and charges not initiated by arrest when each arrest or charge not

1 initiated by arrest sought to be expunged resulted in: (i)
2 acquittal, dismissal, or the petitioner's release without
3 charging, unless excluded by subsection (a) (3) (B); (ii) a
4 conviction which was vacated or reversed, unless excluded
5 by subsection (a) (3) (B); (iii) an order of supervision and
6 such supervision was successfully completed by the
7 petitioner, unless excluded by subsection (a) (3) (A) or
8 (a) (3) (B); or (iv) an order of qualified probation (as
9 defined in subsection (a) (1) (J)) and such probation was
10 successfully completed by the petitioner.

11 (1.5) When a petitioner seeks to have a record of
12 arrest expunged under this Section, and the offender has
13 been convicted of a criminal offense, the State's Attorney
14 may object to the expungement on the grounds that the
15 records contain specific relevant information aside from
16 the mere fact of the arrest.

17 (2) Time frame for filing a petition to expunge.

18 (A) When the arrest or charge not initiated by
19 arrest sought to be expunged resulted in an acquittal,
20 dismissal, the petitioner's release without charging,
21 or the reversal or vacation of a conviction, there is
22 no waiting period to petition for the expungement of
23 such records.

24 (B) When the arrest or charge not initiated by
25 arrest sought to be expunged resulted in an order of
26 supervision, successfully completed by the petitioner,

the following time frames will apply:

(i) Those arrests or charges that resulted in orders of supervision under Section 3-707, 3-708, 3-710, or 5-401.3 of the Illinois Vehicle Code or a similar provision of a local ordinance, or under Section 11-1.50, 12-3.2, or 12-15 of the Criminal Code of 1961 or the Criminal Code of 2012, or a similar provision of a local ordinance, shall not be eligible for expungement until 5 years have passed following the satisfactory termination of the supervision.

(i-5) Those arrests or charges that resulted in orders of supervision for a misdemeanor violation of subsection (a) of Section 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance, that occurred prior to the offender reaching the age of 25 years and the offender has no other conviction for violating Section 11-501 or 11-503 of the Illinois Vehicle Code or a similar provision of a local ordinance shall not be eligible for expungement until the petitioner has reached the age of 25 years.

(ii) Those arrests or charges that resulted in orders of supervision for any other offenses shall not be eligible for expungement until 2 years have passed following the satisfactory termination of

1 the supervision.

2 (C) When the arrest or charge not initiated by
3 arrest sought to be expunged resulted in an order of
4 qualified probation, successfully completed by the
5 petitioner, such records shall not be eligible for
6 expungement until 5 years have passed following the
7 satisfactory termination of the probation.

8 (3) Those records maintained by the Department for
9 persons arrested prior to their 17th birthday shall be
10 expunged as provided in Section 5-915 of the Juvenile Court
11 Act of 1987.

12 (4) Whenever a person has been arrested for or
13 convicted of any offense, in the name of a person whose
14 identity he or she has stolen or otherwise come into
15 possession of, the aggrieved person from whom the identity
16 was stolen or otherwise obtained without authorization,
17 upon learning of the person having been arrested using his
18 or her identity, may, upon verified petition to the chief
19 judge of the circuit wherein the arrest was made, have a
20 court order entered nunc pro tunc by the Chief Judge to
21 correct the arrest record, conviction record, if any, and
22 all official records of the arresting authority, the
23 Department, other criminal justice agencies, the
24 prosecutor, and the trial court concerning such arrest, if
25 any, by removing his or her name from all such records in
26 connection with the arrest and conviction, if any, and by

1 inserting in the records the name of the offender, if known
2 or ascertainable, in lieu of the aggrieved's name. The
3 records of the circuit court clerk shall be sealed until
4 further order of the court upon good cause shown and the
5 name of the aggrieved person obliterated on the official
6 index required to be kept by the circuit court clerk under
7 Section 16 of the Clerks of Courts Act, but the order shall
8 not affect any index issued by the circuit court clerk
9 before the entry of the order. Nothing in this Section
10 shall limit the Department of State Police or other
11 criminal justice agencies or prosecutors from listing
12 under an offender's name the false names he or she has
13 used.

14 (5) Whenever a person has been convicted of criminal
15 sexual assault, aggravated criminal sexual assault,
16 predatory criminal sexual assault of a child, criminal
17 sexual abuse, or aggravated criminal sexual abuse, the
18 victim of that offense may request that the State's
19 Attorney of the county in which the conviction occurred
20 file a verified petition with the presiding trial judge at
21 the petitioner's trial to have a court order entered to
22 seal the records of the circuit court clerk in connection
23 with the proceedings of the trial court concerning that
24 offense. However, the records of the arresting authority
25 and the Department of State Police concerning the offense
26 shall not be sealed. The court, upon good cause shown,

1 shall make the records of the circuit court clerk in
2 connection with the proceedings of the trial court
3 concerning the offense available for public inspection.

4 (6) If a conviction has been set aside on direct review
5 or on collateral attack and the court determines by clear
6 and convincing evidence that the petitioner was factually
7 innocent of the charge, the court that finds the petitioner
8 factually innocent of the charge shall enter an expungement
9 order for the conviction for which the petitioner has been
10 determined to be innocent as provided in subsection (b) of
11 Section 5-5-4 of the Unified Code of Corrections.

12 (7) Nothing in this Section shall prevent the
13 Department of State Police from maintaining all records of
14 any person who is admitted to probation upon terms and
15 conditions and who fulfills those terms and conditions
16 pursuant to Section 10 of the Cannabis Control Act, Section
17 410 of the Illinois Controlled Substances Act, Section 70
18 of the Methamphetamine Control and Community Protection
19 Act, Section 5-6-3.3 or 5-6-3.4 of the Unified Code of
20 Corrections, Section 12-4.3 or subdivision (b)(1) of
21 Section 12-3.05 of the Criminal Code of 1961 or the
22 Criminal Code of 2012, Section 10-102 of the Illinois
23 Alcoholism and Other Drug Dependency Act, Section 40-10 of
24 the Substance Use Disorder Act, or Section 10 of the
25 Steroid Control Act.

26 (8) If the petitioner has been granted a certificate of

1 innocence under Section 2-702 of the Code of Civil
2 Procedure, the court that grants the certificate of
3 innocence shall also enter an order expunging the
4 conviction for which the petitioner has been determined to
5 be innocent as provided in subsection (h) of Section 2-702
6 of the Code of Civil Procedure.

7 (c) Sealing.

8 (1) Applicability. Notwithstanding any other provision
9 of this Act to the contrary, and cumulative with any rights
10 to expungement of criminal records, this subsection
11 authorizes the sealing of criminal records of adults and of
12 minors prosecuted as adults. Subsection (g) of this Section
13 provides for immediate sealing of certain records.

14 (2) Eligible Records. The following records may be
15 sealed:

16 (A) All arrests resulting in release without
17 charging;

18 (B) Arrests or charges not initiated by arrest
19 resulting in acquittal, dismissal, or conviction when
20 the conviction was reversed or vacated, except as
21 excluded by subsection (a) (3) (B);

22 (C) Arrests or charges not initiated by arrest
23 resulting in orders of supervision, including orders
24 of supervision for municipal ordinance violations,
25 successfully completed by the petitioner, unless
26 excluded by subsection (a) (3);

1 (D) Arrests or charges not initiated by arrest
2 resulting in convictions, including convictions on
3 municipal ordinance violations, unless excluded by
4 subsection (a) (3);

5 (E) Arrests or charges not initiated by arrest
6 resulting in orders of first offender probation under
7 Section 10 of the Cannabis Control Act, Section 410 of
8 the Illinois Controlled Substances Act, Section 70 of
9 the Methamphetamine Control and Community Protection
10 Act, or Section 5-6-3.3 of the Unified Code of
11 Corrections; and

12 (F) Arrests or charges not initiated by arrest
13 resulting in felony convictions unless otherwise
14 excluded by subsection (a) paragraph (3) of this
15 Section.

16 (3) When Records Are Eligible to Be Sealed. Records
17 identified as eligible under subsection (c) (2) may be
18 sealed as follows:

19 (A) Records identified as eligible under
20 subsection (c) (2) (A) and (c) (2) (B) may be sealed at any
21 time.

22 (B) Except as otherwise provided in subparagraph
23 (E) of this paragraph (3), records identified as
24 eligible under subsection (c) (2) (C) may be sealed 2
25 years after the termination of petitioner's last
26 sentence (as defined in subsection (a) (1) (F)).

(C) Except as otherwise provided in subparagraph (E) of this paragraph (3), records identified as eligible under subsections (c)(2)(D), (c)(2)(E), and (c)(2)(F) may be sealed 3 years after the termination of the petitioner's last sentence (as defined in subsection (a)(1)(F)). Convictions requiring public registration under the Arsonist Registration Act, the Sex Offender Registration Act, or the Murderer and Violent Offender Against Youth Registration Act may not be sealed until the petitioner is no longer required to register under that relevant Act.

(D) Records identified in subsection (a) (3) (A) (iii) may be sealed after the petitioner has reached the age of 25 years.

(E) Records identified as eligible under subsections (c) (2) (C), (c) (2) (D), (c) (2) (E), or (c) (2) (F) may be sealed upon termination of the petitioner's last sentence if the petitioner earned a high school diploma, associate's degree, career certificate, vocational technical certification, or bachelor's degree, or passed the high school level Test of General Educational Development, during the period of his or her sentence, aftercare release, or mandatory supervised release. This subparagraph shall apply only to a petitioner who has not completed the same educational goal prior to the period of his or her

1 sentence, aftercare release, or mandatory supervised
2 release. If a petition for sealing eligible records
3 filed under this subparagraph is denied by the court,
4 the time periods under subparagraph (B) or (C) shall
5 apply to any subsequent petition for sealing filed by
6 the petitioner.

7 (4) Subsequent felony convictions. A person may not
8 have subsequent felony conviction records sealed as
9 provided in this subsection (c) if he or she is convicted
10 of any felony offense after the date of the sealing of
11 prior felony convictions as provided in this subsection
12 (c). The court may, upon conviction for a subsequent felony
13 offense, order the unsealing of prior felony conviction
14 records previously ordered sealed by the court.

15 (5) Notice of eligibility for sealing. Upon entry of a
16 disposition for an eligible record under this subsection
17 (c), the petitioner shall be informed by the court of the
18 right to have the records sealed and the procedures for the
19 sealing of the records.

20 (d) Procedure. The following procedures apply to
21 expungement under subsections (b), (e), and (e-6) and sealing
22 under subsections (c) and (e-5):

23 (1) Filing the petition. Upon becoming eligible to
24 petition for the expungement or sealing of records under
25 this Section, the petitioner shall file a petition
26 requesting the expungement or sealing of records with the

1 clerk of the court where the arrests occurred or the
2 charges were brought, or both. If arrests occurred or
3 charges were brought in multiple jurisdictions, a petition
4 must be filed in each such jurisdiction. The petitioner
5 shall pay the applicable fee, except no fee shall be
6 required if the petitioner has obtained a court order
7 waiving fees under Supreme Court Rule 298 or it is
8 otherwise waived.

9 (1.5) County fee waiver pilot program. In a county of
10 3,000,000 or more inhabitants, no fee shall be required to
11 be paid by a petitioner if the records sought to be
12 expunged or sealed were arrests resulting in release
13 without charging or arrests or charges not initiated by
14 arrest resulting in acquittal, dismissal, or conviction
15 when the conviction was reversed or vacated, unless
16 excluded by subsection (a) (3) (B). The provisions of this
17 paragraph (1.5), other than this sentence, are inoperative
18 on and after January 1, 2019.

19 (2) Contents of petition. The petition shall be
20 verified and shall contain the petitioner's name, date of
21 birth, current address and, for each arrest or charge not
22 initiated by arrest sought to be sealed or expunged, the
23 case number, the date of arrest (if any), the identity of
24 the arresting authority, and such other information as the
25 court may require. During the pendency of the proceeding,
26 the petitioner shall promptly notify the circuit court

1 clerk of any change of his or her address. If the
2 petitioner has received a certificate of eligibility for
3 sealing from the Prisoner Review Board under paragraph (10)
4 of subsection (a) of Section 3-3-2 of the Unified Code of
5 Corrections, the certificate shall be attached to the
6 petition.

7 (3) Drug test. The petitioner must attach to the
8 petition proof that the petitioner has passed a test taken
9 within 30 days before the filing of the petition showing
10 the absence within his or her body of all illegal
11 substances as defined by the Illinois Controlled
12 Substances Act, the Methamphetamine Control and Community
13 Protection Act, and the Cannabis Control Act if he or she
14 is petitioning to:

15 (A) seal felony records under clause (c) (2) (E);

16 (B) seal felony records for a violation of the
17 Illinois Controlled Substances Act, the
18 Methamphetamine Control and Community Protection Act,
19 or the Cannabis Control Act under clause (c) (2) (F);

20 (C) seal felony records under subsection (e-5); or

21 (D) expunge felony records of a qualified
22 probation under clause (b) (1) (iv).

23 (4) Service of petition. The circuit court clerk shall
24 promptly serve a copy of the petition and documentation to
25 support the petition under subsection (e-5) or (e-6) on the
26 State's Attorney or prosecutor charged with the duty of

1 prosecuting the offense, the Department of State Police,
2 the arresting agency and the chief legal officer of the
3 unit of local government effecting the arrest.

4 (5) Objections.

5 (A) Any party entitled to notice of the petition
6 may file an objection to the petition. All objections
7 shall be in writing, shall be filed with the circuit
8 court clerk, and shall state with specificity the basis
9 of the objection. Whenever a person who has been
10 convicted of an offense is granted a pardon by the
11 Governor which specifically authorizes expungement, an
12 objection to the petition may not be filed.

13 (B) Objections to a petition to expunge or seal
14 must be filed within 60 days of the date of service of
15 the petition.

16 (6) Entry of order.

17 (A) The Chief Judge of the circuit wherein the
18 charge was brought, any judge of that circuit
19 designated by the Chief Judge, or in counties of less
20 than 3,000,000 inhabitants, the presiding trial judge
21 at the petitioner's trial, if any, shall rule on the
22 petition to expunge or seal as set forth in this
23 subsection (d) (6) .

24 (B) Unless the State's Attorney or prosecutor, the
25 Department of State Police, the arresting agency, or
26 the chief legal officer files an objection to the

1 petition to expunge or seal within 60 days from the
2 date of service of the petition, the court shall enter
3 an order granting or denying the petition.

4 (C) Notwithstanding any other provision of law,
5 the court shall not deny a petition for sealing under
6 this Section because the petitioner has not satisfied
7 an outstanding legal financial obligation established,
8 imposed, or originated by a court, law enforcement
9 agency, or a municipal, State, county, or other unit of
10 local government, including, but not limited to, any
11 cost, assessment, fine, or fee. An outstanding legal
12 financial obligation does not include any court
13 ordered restitution to a victim under Section 5-5-6 of
14 the Unified Code of Corrections, unless the
15 restitution has been converted to a civil judgment.
16 Nothing in this subparagraph (C) waives, rescinds, or
17 abrogates a legal financial obligation or otherwise
18 eliminates or affects the right of the holder of any
19 financial obligation to pursue collection under
20 applicable federal, State, or local law.

21 (7) Hearings. If an objection is filed, the court shall
22 set a date for a hearing and notify the petitioner and all
23 parties entitled to notice of the petition of the hearing
24 date at least 30 days prior to the hearing. Prior to the
25 hearing, the State's Attorney shall consult with the
26 Department as to the appropriateness of the relief sought

1 in the petition to expunge or seal. At the hearing, the
2 court shall hear evidence on whether the petition should or
3 should not be granted, and shall grant or deny the petition
4 to expunge or seal the records based on the evidence
5 presented at the hearing. The court may consider the
6 following:

7 (A) the strength of the evidence supporting the
8 defendant's conviction;

9 (B) the reasons for retention of the conviction
10 records by the State;

11 (C) the petitioner's age, criminal record history,
12 and employment history;

13 (D) the period of time between the petitioner's
14 arrest on the charge resulting in the conviction and
15 the filing of the petition under this Section; and

16 (E) the specific adverse consequences the
17 petitioner may be subject to if the petition is denied.

18 (8) Service of order. After entering an order to
19 expunge or seal records, the court must provide copies of
20 the order to the Department, in a form and manner
21 prescribed by the Department, to the petitioner, to the
22 State's Attorney or prosecutor charged with the duty of
23 prosecuting the offense, to the arresting agency, to the
24 chief legal officer of the unit of local government
25 effecting the arrest, and to such other criminal justice
26 agencies as may be ordered by the court.

(9) Implementation of order.

(A) Upon entry of an order to expunge records pursuant to (b) (2) (A) or (b) (2) (B) (ii), or both:

(i) the records shall be expunged (as defined in subsection (a)(1)(E)) by the arresting agency, the Department, and any other agency as ordered by the court, within 60 days of the date of service of the order, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(ii) the records of the circuit court clerk shall be impounded until further order of the court upon good cause shown and the name of the petitioner obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order; and

(iii) in response to an inquiry for expunged records, the court, the Department, or the agency receiving such inquiry, shall reply as it does in response to inquiries when no records ever existed.

(B) Upon entry of an order to expunge records pursuant to (b) (2) (B) (i) or (b) (2) (C), or both:

(i) the records shall be expunged (as defined in subsection (a)(1)(E)) by the arresting agency and any other agency as ordered by the court, within 60 days of the date of service of the order, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(ii) the records of the circuit court clerk shall be impounded until further order of the court upon good cause shown and the name of the petitioner obliterated on the official index required to be kept by the circuit court clerk under Section 16 of the Clerks of Courts Act, but the order shall not affect any index issued by the circuit court clerk before the entry of the order;

(iii) the records shall be impounded by the Department within 60 days of the date of service of the order as ordered by the court, unless a motion to vacate, modify, or reconsider the order is filed pursuant to paragraph (12) of subsection (d) of this Section;

(iv) records impounded by the Department may be disseminated by the Department only as required by law or to the arresting authority, the State's Attorney, and the court upon a later arrest for the same or a similar offense or for the purpose of

1 sentencing for any subsequent felony, and to the
2 Department of Corrections upon conviction for any
3 offense; and

4 (v) in response to an inquiry for such records
5 from anyone not authorized by law to access such
6 records, the court, the Department, or the agency
7 receiving such inquiry shall reply as it does in
8 response to inquiries when no records ever
9 existed.

10 (B-5) Upon entry of an order to expunge records
11 under subsection (e-6) :

12 (i) the records shall be expunged (as defined
13 in subsection (a)(1)(E)) by the arresting agency
14 and any other agency as ordered by the court,
15 within 60 days of the date of service of the order,
16 unless a motion to vacate, modify, or reconsider
17 the order is filed under paragraph (12) of
18 subsection (d) of this Section;

19 (ii) the records of the circuit court clerk
20 shall be impounded until further order of the court
21 upon good cause shown and the name of the
22 petitioner obliterated on the official index
23 required to be kept by the circuit court clerk
24 under Section 16 of the Clerks of Courts Act, but
25 the order shall not affect any index issued by the
26 circuit court clerk before the entry of the order;

(iii) the records shall be impounded by the Department within 60 days of the date of service of the order as ordered by the court, unless a motion to vacate, modify, or reconsider the order is filed under paragraph (12) of subsection (d) of this Section;

(iv) records impounded by the Department may be disseminated by the Department only as required by law or to the arresting authority, the State's Attorney, and the court upon a later arrest for the same or a similar offense or for the purpose of sentencing for any subsequent felony, and to the Department of Corrections upon conviction for any offense; and

(v) in response to an inquiry for these records from anyone not authorized by law to access the records, the court, the Department, or the agency receiving the inquiry shall reply as it does in response to inquiries when no records ever existed.

(C) Upon entry of an order to seal records under subsection (c), the arresting agency, any other agency as ordered by the court, the Department, and the court shall seal the records (as defined in subsection (a) (1) (K)). In response to an inquiry for such records, from anyone not authorized by law to access such

1 records, the court, the Department, or the agency
2 receiving such inquiry shall reply as it does in
3 response to inquiries when no records ever existed.

4 (D) The Department shall send written notice to the
5 petitioner of its compliance with each order to expunge
6 or seal records within 60 days of the date of service
7 of that order or, if a motion to vacate, modify, or
8 reconsider is filed, within 60 days of service of the
9 order resolving the motion, if that order requires the
10 Department to expunge or seal records. In the event of
11 an appeal from the circuit court order, the Department
12 shall send written notice to the petitioner of its
13 compliance with an Appellate Court or Supreme Court
14 judgment to expunge or seal records within 60 days of
15 the issuance of the court's mandate. The notice is not
16 required while any motion to vacate, modify, or
17 reconsider, or any appeal or petition for
18 discretionary appellate review, is pending.

19 (E) Upon motion, the court may order that a sealed
20 judgment or other court record necessary to
21 demonstrate the amount of any legal financial
22 obligation due and owing be made available for the
23 limited purpose of collecting any legal financial
24 obligations owed by the petitioner that were
25 established, imposed, or originated in the criminal
26 proceeding for which those records have been sealed.

1 The records made available under this subparagraph (E)
2 shall not be entered into the official index required
3 to be kept by the circuit court clerk under Section 16
4 of the Clerks of Courts Act and shall be immediately
5 re-impounded upon the collection of the outstanding
6 financial obligations.

7 (F) Notwithstanding any other provision of this
8 Section, a circuit court clerk may access a sealed
9 record for the limited purpose of collecting payment
10 for any legal financial obligations that were
11 established, imposed, or originated in the criminal
12 proceedings for which those records have been sealed.

13 (10) Fees. The Department may charge the petitioner a
14 fee equivalent to the cost of processing any order to
15 expunge or seal records. Notwithstanding any provision of
16 the Clerks of Courts Act to the contrary, the circuit court
17 clerk may charge a fee equivalent to the cost associated
18 with the sealing or expungement of records by the circuit
19 court clerk. From the total filing fee collected for the
20 petition to seal or expunge, the circuit court clerk shall
21 deposit \$10 into the Circuit Court Clerk Operation and
22 Administrative Fund, to be used to offset the costs
23 incurred by the circuit court clerk in performing the
24 additional duties required to serve the petition to seal or
25 expunge on all parties. The circuit court clerk shall
26 collect and forward the Department of State Police portion

1 of the fee to the Department and it shall be deposited in
2 the State Police Services Fund. If the record brought under
3 an expungement petition was previously sealed under this
4 Section, the fee for the expungement petition for that same
5 record shall be waived.

6 (11) Final Order. No court order issued under the
7 expungement or sealing provisions of this Section shall
8 become final for purposes of appeal until 30 days after
9 service of the order on the petitioner and all parties
10 entitled to notice of the petition.

11 (12) Motion to Vacate, Modify, or Reconsider. Under
12 Section 2-1203 of the Code of Civil Procedure, the
13 petitioner or any party entitled to notice may file a
14 motion to vacate, modify, or reconsider the order granting
15 or denying the petition to expunge or seal within 60 days
16 of service of the order. If filed more than 60 days after
17 service of the order, a petition to vacate, modify, or
18 reconsider shall comply with subsection (c) of Section
19 2-1401 of the Code of Civil Procedure. Upon filing of a
20 motion to vacate, modify, or reconsider, notice of the
21 motion shall be served upon the petitioner and all parties
22 entitled to notice of the petition.

23 (13) Effect of Order. An order granting a petition
24 under the expungement or sealing provisions of this Section
25 shall not be considered void because it fails to comply
26 with the provisions of this Section or because of any error

1 asserted in a motion to vacate, modify, or reconsider. The
2 circuit court retains jurisdiction to determine whether
3 the order is voidable and to vacate, modify, or reconsider
4 its terms based on a motion filed under paragraph (12) of
5 this subsection (d).

6 (14) Compliance with Order Granting Petition to Seal
7 Records. Unless a court has entered a stay of an order
8 granting a petition to seal, all parties entitled to notice
9 of the petition must fully comply with the terms of the
10 order within 60 days of service of the order even if a
11 party is seeking relief from the order through a motion
12 filed under paragraph (12) of this subsection (d) or is
13 appealing the order.

14 (15) Compliance with Order Granting Petition to
15 Expunge Records. While a party is seeking relief from the
16 order granting the petition to expunge through a motion
17 filed under paragraph (12) of this subsection (d) or is
18 appealing the order, and unless a court has entered a stay
19 of that order, the parties entitled to notice of the
20 petition must seal, but need not expunge, the records until
21 there is a final order on the motion for relief or, in the
22 case of an appeal, the issuance of that court's mandate.

23 (16) The changes to this subsection (d) made by Public
24 Act 98-163 apply to all petitions pending on August 5, 2013
25 (the effective date of Public Act 98-163) and to all orders
26 ruling on a petition to expunge or seal on or after August

1 5, 2013 (the effective date of Public Act 98-163).

2 (e) Whenever a person who has been convicted of an offense
3 is granted a pardon by the Governor which specifically
4 authorizes expungement, he or she may, upon verified petition
5 to the Chief Judge of the circuit where the person had been
6 convicted, any judge of the circuit designated by the Chief
7 Judge, or in counties of less than 3,000,000 inhabitants, the
8 presiding trial judge at the defendant's trial, have a court
9 order entered expunging the record of arrest from the official
10 records of the arresting authority and order that the records
11 of the circuit court clerk and the Department be sealed until
12 further order of the court upon good cause shown or as
13 otherwise provided herein, and the name of the defendant
14 obliterated from the official index requested to be kept by the
15 circuit court clerk under Section 16 of the Clerks of Courts
16 Act in connection with the arrest and conviction for the
17 offense for which he or she had been pardoned but the order
18 shall not affect any index issued by the circuit court clerk
19 before the entry of the order. All records sealed by the
20 Department may be disseminated by the Department only to the
21 arresting authority, the State's Attorney, and the court upon a
22 later arrest for the same or similar offense or for the purpose
23 of sentencing for any subsequent felony. Upon conviction for
24 any subsequent offense, the Department of Corrections shall
25 have access to all sealed records of the Department pertaining
26 to that individual. Upon entry of the order of expungement, the

1 circuit court clerk shall promptly mail a copy of the order to
2 the person who was pardoned.

3 (e-5) Whenever a person who has been convicted of an
4 offense is granted a certificate of eligibility for sealing by
5 the Prisoner Review Board which specifically authorizes
6 sealing, he or she may, upon verified petition to the Chief
7 Judge of the circuit where the person had been convicted, any
8 judge of the circuit designated by the Chief Judge, or in
9 counties of less than 3,000,000 inhabitants, the presiding
10 trial judge at the petitioner's trial, have a court order
11 entered sealing the record of arrest from the official records
12 of the arresting authority and order that the records of the
13 circuit court clerk and the Department be sealed until further
14 order of the court upon good cause shown or as otherwise
15 provided herein, and the name of the petitioner obliterated
16 from the official index requested to be kept by the circuit
17 court clerk under Section 16 of the Clerks of Courts Act in
18 connection with the arrest and conviction for the offense for
19 which he or she had been granted the certificate but the order
20 shall not affect any index issued by the circuit court clerk
21 before the entry of the order. All records sealed by the
22 Department may be disseminated by the Department only as
23 required by this Act or to the arresting authority, a law
24 enforcement agency, the State's Attorney, and the court upon a
25 later arrest for the same or similar offense or for the purpose
26 of sentencing for any subsequent felony. Upon conviction for

1 any subsequent offense, the Department of Corrections shall
2 have access to all sealed records of the Department pertaining
3 to that individual. Upon entry of the order of sealing, the
4 circuit court clerk shall promptly mail a copy of the order to
5 the person who was granted the certificate of eligibility for
6 sealing.

7 (e-6) Whenever a person who has been convicted of an
8 offense is granted a certificate of eligibility for expungement
9 by the Prisoner Review Board which specifically authorizes
10 expungement, he or she may, upon verified petition to the Chief
11 Judge of the circuit where the person had been convicted, any
12 judge of the circuit designated by the Chief Judge, or in
13 counties of less than 3,000,000 inhabitants, the presiding
14 trial judge at the petitioner's trial, have a court order
15 entered expunging the record of arrest from the official
16 records of the arresting authority and order that the records
17 of the circuit court clerk and the Department be sealed until
18 further order of the court upon good cause shown or as
19 otherwise provided herein, and the name of the petitioner
20 obliterated from the official index requested to be kept by the
21 circuit court clerk under Section 16 of the Clerks of Courts
22 Act in connection with the arrest and conviction for the
23 offense for which he or she had been granted the certificate
24 but the order shall not affect any index issued by the circuit
25 court clerk before the entry of the order. All records sealed
26 by the Department may be disseminated by the Department only as

1 required by this Act or to the arresting authority, a law
2 enforcement agency, the State's Attorney, and the court upon a
3 later arrest for the same or similar offense or for the purpose
4 of sentencing for any subsequent felony. Upon conviction for
5 any subsequent offense, the Department of Corrections shall
6 have access to all expunged records of the Department
7 pertaining to that individual. Upon entry of the order of
8 expungement, the circuit court clerk shall promptly mail a copy
9 of the order to the person who was granted the certificate of
10 eligibility for expungement.

11 (f) Subject to available funding, the Illinois Department
12 of Corrections shall conduct a study of the impact of sealing,
13 especially on employment and recidivism rates, utilizing a
14 random sample of those who apply for the sealing of their
15 criminal records under Public Act 93-211. At the request of the
16 Illinois Department of Corrections, records of the Illinois
17 Department of Employment Security shall be utilized as
18 appropriate to assist in the study. The study shall not
19 disclose any data in a manner that would allow the
20 identification of any particular individual or employing unit.
21 The study shall be made available to the General Assembly no
22 later than September 1, 2010.

23 (g) Immediate Sealing.

24 (1) Applicability. Notwithstanding any other provision
25 of this Act to the contrary, and cumulative with any rights
26 to expungement or sealing of criminal records, this

1 subsection authorizes the immediate sealing of criminal
2 records of adults and of minors prosecuted as adults.

3 (2) Eligible Records. Arrests or charges not initiated
4 by arrest resulting in acquittal or dismissal with
5 prejudice, except as excluded by subsection (a)(3)(B),
6 that occur on or after January 1, 2018 (the effective date
7 of Public Act 100-282), may be sealed immediately if the
8 petition is filed with the circuit court clerk on the same
9 day and during the same hearing in which the case is
10 disposed.

11 (3) When Records are Eligible to be Immediately Sealed.
12 Eligible records under paragraph (2) of this subsection (g)
13 may be sealed immediately after entry of the final
14 disposition of a case, notwithstanding the disposition of
15 other charges in the same case.

16 (4) Notice of Eligibility for Immediate Sealing. Upon
17 entry of a disposition for an eligible record under this
18 subsection (g), the defendant shall be informed by the
19 court of his or her right to have eligible records
20 immediately sealed and the procedure for the immediate
21 sealing of these records.

22 (5) Procedure. The following procedures apply to
23 immediate sealing under this subsection (g).

24 (A) Filing the Petition. Upon entry of the final
25 disposition of the case, the defendant's attorney may
26 immediately petition the court, on behalf of the

1 defendant, for immediate sealing of eligible records
2 under paragraph (2) of this subsection (g) that are
3 entered on or after January 1, 2018 (the effective date
4 of Public Act 100-282). The immediate sealing petition
5 may be filed with the circuit court clerk during the
6 hearing in which the final disposition of the case is
7 entered. If the defendant's attorney does not file the
8 petition for immediate sealing during the hearing, the
9 defendant may file a petition for sealing at any time
10 as authorized under subsection (c) (3) (A).

11 (B) Contents of Petition. The immediate sealing
12 petition shall be verified and shall contain the
13 petitioner's name, date of birth, current address, and
14 for each eligible record, the case number, the date of
15 arrest if applicable, the identity of the arresting
16 authority if applicable, and other information as the
17 court may require.

18 (C) Drug Test. The petitioner shall not be required
19 to attach proof that he or she has passed a drug test.

20 (D) Service of Petition. A copy of the petition
21 shall be served on the State's Attorney in open court.
22 The petitioner shall not be required to serve a copy of
23 the petition on any other agency.

24 (E) Entry of Order. The presiding trial judge shall
25 enter an order granting or denying the petition for
26 immediate sealing during the hearing in which it is

1 filed. Petitions for immediate sealing shall be ruled
2 on in the same hearing in which the final disposition
3 of the case is entered.

4 (F) Hearings. The court shall hear the petition for
5 immediate sealing on the same day and during the same
6 hearing in which the disposition is rendered.

7 (G) Service of Order. An order to immediately seal
8 eligible records shall be served in conformance with
9 subsection (d) (8).

10 (H) Implementation of Order. An order to
11 immediately seal records shall be implemented in
12 conformance with subsections (d) (9) (C) and (d) (9) (D).

13 (I) Fees. The fee imposed by the circuit court
14 clerk and the Department of State Police shall comply
15 with paragraph (1) of subsection (d) of this Section.

16 (J) Final Order. No court order issued under this
17 subsection (g) shall become final for purposes of
18 appeal until 30 days after service of the order on the
19 petitioner and all parties entitled to service of the
20 order in conformance with subsection (d) (8).

21 (K) Motion to Vacate, Modify, or Reconsider. Under
22 Section 2-1203 of the Code of Civil Procedure, the
23 petitioner, State's Attorney, or the Department of
24 State Police may file a motion to vacate, modify, or
25 reconsider the order denying the petition to
26 immediately seal within 60 days of service of the

1 order. If filed more than 60 days after service of the
2 order, a petition to vacate, modify, or reconsider
3 shall comply with subsection (c) of Section 2-1401 of
4 the Code of Civil Procedure.

5 (L) Effect of Order. An order granting an immediate
6 sealing petition shall not be considered void because
7 it fails to comply with the provisions of this Section
8 or because of an error asserted in a motion to vacate,
9 modify, or reconsider. The circuit court retains
10 jurisdiction to determine whether the order is
11 voidable, and to vacate, modify, or reconsider its
12 terms based on a motion filed under subparagraph (L) of
13 this subsection (g).

14 (M) Compliance with Order Granting Petition to
15 Seal Records. Unless a court has entered a stay of an
16 order granting a petition to immediately seal, all
17 parties entitled to service of the order must fully
18 comply with the terms of the order within 60 days of
19 service of the order.

20 (h) Sealing; trafficking victims.

21 (1) A trafficking victim as defined by paragraph (10)
22 of subsection (a) of Section 10-9 of the Criminal Code of
23 2012 shall be eligible to petition for immediate sealing of
24 his or her criminal record upon the completion of his or
25 her last sentence if his or her participation in the
26 underlying offense was a direct result of human trafficking

1 under Section 10-9 of the Criminal Code of 2012 or a severe
2 form of trafficking under the federal Trafficking Victims
3 Protection Act.

4 (2) A petitioner under this subsection (h), in addition
5 to the requirements provided under paragraph (4) of
6 subsection (d) of this Section, shall include in his or her
7 petition a clear and concise statement that: (A) he or she
8 was a victim of human trafficking at the time of the
9 offense; and (B) that his or her participation in the
10 offense was a direct result of human trafficking under
11 Section 10-9 of the Criminal Code of 2012 or a severe form
12 of trafficking under the federal Trafficking Victims
13 Protection Act.

14 (3) If an objection is filed alleging that the
15 petitioner is not entitled to immediate sealing under this
16 subsection (h), the court shall conduct a hearing under
17 paragraph (7) of subsection (d) of this Section and the
18 court shall determine whether the petitioner is entitled to
19 immediate sealing under this subsection (h). A petitioner
20 is eligible for immediate relief under this subsection (h)
21 if he or she shows, by a preponderance of the evidence,
22 that: (A) he or she was a victim of human trafficking at
23 the time of the offense; and (B) that his or her
24 participation in the offense was a direct result of human
25 trafficking under Section 10-9 of the Criminal Code of 2012
26 or a severe form of trafficking under the federal

1 Trafficking Victims Protection Act.

2 (i) Expungement of Minor Violations of the Cannabis Control
3 Act.

4 (1) Applicability. Notwithstanding any other provision
5 of this Section to the contrary, and cumulative with any
6 rights to expungement or sealing of criminal records, this
7 subsection (i) authorizes the expungement of minor
8 violations of the Cannabis Control Act that are deemed
9 legally invalid under the Cannabis Regulation and Tax Act.

10 (2) Eligible Records. Any criminal history record of a
11 minor violation of the Cannabis Control Act is eligible for
12 expungement as of the effective date of this amendatory Act
13 of the 101st General Assembly.

14 (3) Procedure.

15 (A) Department of State Police Review. The
16 Department of State Police shall review all criminal
17 history record information and identify all
18 individuals with minor violations of the Cannabis
19 Control Act that are eligible for automatic
20 expungement under this subsection (i). After
21 conducting that review, the Department of State Police
22 shall automatically expunge records of minor
23 violations of the Cannabis Control Act within 2 years
24 after the effective date of this amendatory Act of the
25 101st General Assembly, but no sooner than 180 days
26 after providing notification to the State's Attorneys

1 and law enforcement as provided in subparagraph (B).

2 (B) Department of State Police; Notification to
3 State's Attorneys and Law Enforcement. No later than
4 180 days after the effective date of this amendatory
5 Act of the 101st General Assembly, the Department shall
6 send a notice to the State's Attorneys or prosecutors
7 charged with the duty of prosecuting the offenses; all
8 local law enforcement agencies; and the Office of the
9 Attorney General. The notice shall identify all
10 individuals with minor violations of the Cannabis
11 Control Act that are eligible for automatic
12 expungement under this subsection (i) in each
13 jurisdiction. Upon request of a State's Attorney or the
14 Attorney General, the Department shall provide the
15 State's Attorney or the Attorney General with the
16 record from the Law Enforcement Agencies Data System
17 (LEADS) relating to the minor violation of the Cannabis
18 Control Act.

19 (C) Proposed Order. No later than 180 days after
20 receipt of notice from the Department of State Police,
21 the State's Attorney of the county of arrest, charge or
22 conviction in which the minor violations of the
23 Cannabis Control Act occurred, shall file a proposed
24 order or orders with each court identifying all minor
25 violations in that jurisdiction eligible for
26 expungement. Notwithstanding any other provision of

1 law, for purposes of this subsection (i), the State's
2 Attorney may elect to submit one proposed order on
3 behalf of multiple or all minor violations eligible for
4 expungement, as permitted by the court. The proposed
5 order shall include the following information:

6 (i) name of the individual eligible for
7 expungement;

8 (ii) date of birth;

9 (iii) current address, if available;

10 (iv) case number;

11 (v) identification of the minor violation of
12 the Cannabis Control Act;

13 (vi) date of arrest, if applicable;

14 (vii) arresting agency, if applicable; and

15 (viii) a statement that the minor violation of
16 the Cannabis Control Act has been identified by the
17 Department of State Police as eligible for
18 expungement because the conviction is now legally
19 invalid under the Cannabis Regulation and Tax Act.

20 If a State's Attorney or the Attorney General has
21 not submitted a proposed order within 180 days after
22 receiving notice from the Department of State Police,
23 the Office of the Attorney General may file a proposed
24 order expunging all records of minor violations of the
25 Cannabis Control Act it received from the Department of
26 State Police for that jurisdiction. Notwithstanding

any other provision of law, for purposes of this subsection (i), the Office of the Attorney General may elect to submit one proposed order on behalf of multiple or all minor violations of the Cannabis Control Act eligible for expungement, as permitted by the court.

(D) Automatic Court Order for Expungement. Within 180 days after receiving a proposed order from a State's Attorney or the Attorney General referenced in subparagraph (C), a court shall review the proposed order and order the expungement of the court and law enforcement records unless the court determines that the offense to be expunged does not meet the definition of a minor violation of the Cannabis Control Act. Whenever a court is expunging a record of a minor violation of the Cannabis Control Act under this subsection (i), an objection to the proposed order may not be filed.

(E) Notification to Law Enforcement. Upon entry of the order to expunge or seal records, the court must provide copies of the order to the Department of State Police, in a form and manner prescribed by the Department, the arresting agency, and such other criminal justice agencies as determined by the court.

(F) Notification to Individuals. Upon entry of an order of expungement, the court shall provide a copy of

1 the order to the individual whose record has been
2 expunged. The Department of State Police shall allow a
3 person to use the access and review process,
4 established in the Department of State Police, for
5 verifying that his or her records relating to minor
6 violations of the Cannabis Control Act eligible under
7 this subsection (i) have been expunged.

8 (G) Expungement of Arresting Agency Records. Local
9 law enforcement shall automatically expunge records
10 pertaining to arrests not resulting in a charge for
11 minor violations of the Cannabis Control Act
12 identified by the Department of State Police within 365
13 days of notice from the Department of State Police. Any
14 minor violations of the Cannabis Control Act not
15 identified by the Department of State Police shall be
16 identified by local law enforcement and automatically
17 expunged as follows:

18 (i) records prior to January 1, 2016, but on or
19 after January 1, 2013, shall be automatically
20 expunged prior to January 1, 2023;

21 (ii) records prior to January 1, 2013, but on
22 or after January 1, 2000, shall be automatically
23 expunged prior to January 1, 2026;

24 (iii) records prior to January 1, 2000 shall be
25 automatically expunged prior to January 1, 2030;
26 or

(iv) as required by court order.

(H) Petitions for Expungement of Minor Violations.

(i) An individual with an arrest, charge not initiated by arrest, conviction, order of supervision, or order of qualified probation for a minor violation of the Cannabis Control Act committed prior to the effective date of this amendatory Act of the 101st General Assembly may file a petition with the court in the jurisdiction of the arrest, charge or conviction seeking the entry of an order of expungement at any time after the effective date of this amendatory Act of the 101st General Assembly. The court shall order the expungement of the records of the court, the Department of State Police, and the arresting agency unless the court determines that the offense to be expunged does not meet the definition of a minor violation of the Cannabis Control Act. Whenever a court is expunging a record of a minor violation of the Cannabis Control Act, an objection to the proposed order may not be filed.

(ii) An individual with a conviction, order of supervision, or order of qualified probation for a Class 4 felony or misdemeanor violation of Section 4, 5, or 8 of the Cannabis Control Act, that was accompanied by charges other than a minor

1 violation of the Cannabis Control Act, may file a
2 petition for expungement with the court in the
3 jurisdiction of the conviction, order of
4 supervision, or order of qualified probation
5 provided that the individual did not receive a
6 penalty enhancement pursuant to Section 7 of the
7 Cannabis Control Act. The individual may file a
8 petition following the procedures set forth for
9 expungement of arrests that resulted in a
10 conviction which was vacated or reversed as
11 provided in subsection (b) (2) (A) .

12 (4) Future Offenses. Commencing one year after the
13 effective date of this amendatory Act of the 101st General
14 Assembly, the clerk of the circuit court, the arresting
15 agency, and the Department of State Police shall expunge,
16 upon order of the court, or in the absence of a court order
17 on or before January 1 and July 1 of each year, the court
18 and law enforcement records of a person found to have
19 committed a minor violation of the Cannabis Control Act and
20 that contains the final satisfactory disposition for those
21 offenses.

22 (5) Effect of Expungement. A person's right to expunge
23 an expungeable offense shall not be limited under this
24 Section. The effect of an order of expungement shall be to
25 restore the person to the status he or she occupied before
26 the arrest, charge, or conviction. No person for whom an

1 order of expungement has been entered under this subsection
2 (i) shall be held thereafter under any provisions of any
3 law to be guilty of perjury or otherwise giving a false
4 statement by reason of failure to state or acknowledge the
5 arrest, plea, trial, conviction, supervision,
6 incarceration, or expungement in response to any inquiry
7 made of him or her for any purpose whatsoever.

8 (6) Information. The Department of State Police shall
9 post general information on its website about the
10 expungement process described in this subsection (i).

11 (Source: P.A. 99-78, eff. 7-20-15; 99-378, eff. 1-1-16; 99-385,
12 eff. 1-1-16; 99-642, eff. 7-28-16; 99-697, eff. 7-29-16;
13 99-881, eff. 1-1-17; 100-201, eff. 8-18-17; 100-282, eff.
14 1-1-18; 100-284, eff. 8-24-17; 100-287, eff. 8-24-17; 100-692,
15 eff. 8-3-18; 100-759, eff. 1-1-19; 100-776, eff. 8-10-18;
16 100-863, eff. 8-14-18; revised 8-30-18.)

17 Section 900-15. The State Finance Act is amended by adding
18 Sections 5.891, 5.892, and 6z-107 as follows:

19 (30 ILCS 105/5.891 new)

20 Sec. 5.891. The Cannabis Regulation Fund.

21 (30 ILCS 105/5.892 new)

22 Sec. 5.892. The Cannabis Business Development Fund.

1 (30 ILCS 105/6z-107 new)

2 Sec. 6z-107. The Cannabis Regulation Fund.

3 (a) The Cannabis Regulation Fund is created as a special
4 fund in the State treasury. Unless otherwise provided, all
5 moneys collected under the Cannabis Regulation and Tax Act
6 shall be deposited into the Cannabis Regulation Fund,
7 consisting of taxes, license fees, other fees, and any other
8 amounts required to be deposited or transferred into the Fund.

9 (b) Whenever the Department determines that a refund should
10 be made under the Cannabis Regulation and Tax Act to a
11 claimant, the Department shall notify the State Comptroller,
12 who shall cause the order to be drawn for the amount specified
13 and to the person named in the notification from the
14 Department. This subsection (b) shall constitute an
15 irrevocable and continuing appropriation of all amounts
16 necessary for the payment of refunds out of the Fund as
17 authorized under this subsection (b).

18 (c) On or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller and the
20 Treasurer the stated sums of money from the Cannabis Regulation
21 Fund to be transferred to other named funds in the State
22 treasury. The Comptroller shall direct, and the Treasurer shall
23 transfer, the stated sums of money in accordance with the
24 directions contained in the certification. The amount subject
25 to transfer shall be the amount of the taxes, license fees,
26 other fees, and any other amounts paid into the Fund during the

1 second preceding calendar month, minus the refunds made under
2 subsection (b) of this Section during the second preceding
3 calendar month by the Department. The transfers shall be
4 certified as follows:

5 (1) First, to pay for the direct and indirect costs
6 associated with the implementation, administration, and
7 enforcement of the Cannabis Regulation and Tax Act by the
8 Department of Revenue, the Department of State Police, the
9 Department of Financial and Professional Regulation, the
10 Department of Agriculture, the Department of Public
11 Health, the Department of Commerce and Economic
12 Opportunity, and the Illinois Criminal Justice Information
13 Authority;

14 (2) Second, after the transfers have been made as
15 provided in paragraph (1) of this subsection (c), the
16 Department may certify transfers for costs incurred by
17 State courts, State's Attorneys, or law enforcement to
18 carry out the expungement of minor violations pursuant to
19 the Cannabis Regulation and Tax Act;

20 (3) Third, after the transfers have been made as
21 provided in paragraphs (1) and (2) of this subsection (c),
22 the Department shall certify the following transfers:

23 (A) 2% shall be transferred to the Drug Treatment
24 Fund to be used, subject to appropriation, by the
25 Department of Public Health for: (i) developing and
26 administering a scientifically and medically accurate

1 public education campaign educating youth and adults
2 about the health and safety risks of alcohol, tobacco,
3 illegal drug use (including prescription drugs), and
4 cannabis including use by pregnant women; and (ii) data
5 collection and analysis of the public health impacts of
6 legalizing the recreational use of cannabis.

7 (B) 8% shall be transferred to the Illinois Law
8 Enforcement Training Standards Board to be used,
9 subject to appropriation, by the Illinois Law
10 Enforcement Training Standards Board for the purpose
11 of creating a law enforcement grant program available
12 for jurisdictions to fund crime prevention programs,
13 training, and interdiction efforts, including
14 enforcement and prevention efforts, relating to the
15 illegal cannabis market and driving under the
16 influence of cannabis.

17 (D) 25% shall be transferred to the Criminal
18 Justice Information Projects Fund to be used, subject
19 to appropriation, by the Restoring Our Communities
20 Program Board to address the impact of economic
21 disinvestment, concentrated poverty, violence, the
22 historical overuse of criminal justice responses in
23 certain communities. The Restoring Our Communities
24 Program Board shall address these issues through
25 targeted investments and intervention programs and
26 promotion of an employment infrastructure and capacity

1 building related to the social determinants of health
2 in impacted community areas.

3 (E) 20% shall be appropriated to certified local
4 health departments, as defined by 77 Illinois
5 Administrative Code 600, to be used for the purpose of
6 substance abuse and mental health prevention and
7 treatment. The allocation methodology shall be based
8 on the most recent census population data for the
9 certified local health department jurisdiction. These
10 funds may be redistributed to subcontractors within
11 their certified local health department jurisdictions.

12 (F) 10% to the Budget Stabilization Fund.

13 (G) 35%, or any remaining balance, shall be
14 transferred to the General Revenue Fund.

15 As soon as may be practical, but no later than 10 days
16 after receipt by the Comptroller of the transfer certification
17 provided for in this subsection (c) to be given to the
18 Comptroller by the Department of Revenue, the Comptroller shall
19 direct and the Treasurer shall transfer the respective amounts
20 in accordance with the directions contained in the
21 certification.

22 (d) Notwithstanding any other law to the contrary and
23 except as otherwise provided in this Section, this Fund is not
24 subject to sweeps, administrative charge-backs, or any other
25 fiscal or budgetary maneuver that would in any way transfer any
26 amounts from this Fund into any other fund of the State.

1 Section 900-16. The Use Tax Act is amended by changing
2 Section 9 as follows:

3 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

4 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
5 and trailers that are required to be registered with an agency
6 of this State, each retailer required or authorized to collect
7 the tax imposed by this Act shall pay to the Department the
8 amount of such tax (except as otherwise provided) at the time
9 when he is required to file his return for the period during
10 which such tax was collected, less a discount of 2.1% prior to
11 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
12 per calendar year, whichever is greater, which is allowed to
13 reimburse the retailer for expenses incurred in collecting the
14 tax, keeping records, preparing and filing returns, remitting
15 the tax and supplying data to the Department on request. In the
16 case of retailers who report and pay the tax on a transaction
17 by transaction basis, as provided in this Section, such
18 discount shall be taken with each such tax remittance instead
19 of when such retailer files his periodic return. The discount
20 allowed under this Section is allowed only for returns that are
21 filed in the manner required by this Act. The Department may
22 disallow the discount for retailers whose certificate of
23 registration is revoked at the time the return is filed, but
24 only if the Department's decision to revoke the certificate of

1 registration has become final. A retailer need not remit that
2 part of any tax collected by him to the extent that he is
3 required to remit and does remit the tax imposed by the
4 Retailers' Occupation Tax Act, with respect to the sale of the
5 same property.

6 Where such tangible personal property is sold under a
7 conditional sales contract, or under any other form of sale
8 wherein the payment of the principal sum, or a part thereof, is
9 extended beyond the close of the period for which the return is
10 filed, the retailer, in collecting the tax (except as to motor
11 vehicles, watercraft, aircraft, and trailers that are required
12 to be registered with an agency of this State), may collect for
13 each tax return period, only the tax applicable to that part of
14 the selling price actually received during such tax return
15 period.

16 Except as provided in this Section, on or before the
17 twentieth day of each calendar month, such retailer shall file
18 a return for the preceding calendar month. Such return shall be
19 filed on forms prescribed by the Department and shall furnish
20 such information as the Department may reasonably require. On
21 and after January 1, 2018, except for returns for motor
22 vehicles, watercraft, aircraft, and trailers that are required
23 to be registered with an agency of this State, with respect to
24 retailers whose annual gross receipts average \$20,000 or more,
25 all returns required to be filed pursuant to this Act shall be
26 filed electronically. Retailers who demonstrate that they do

1 not have access to the Internet or demonstrate hardship in
2 filing electronically may petition the Department to waive the
3 electronic filing requirement.

4 The Department may require returns to be filed on a
5 quarterly basis. If so required, a return for each calendar
6 quarter shall be filed on or before the twentieth day of the
7 calendar month following the end of such calendar quarter. The
8 taxpayer shall also file a return with the Department for each
9 of the first two months of each calendar quarter, on or before
10 the twentieth day of the following calendar month, stating:

11 1. The name of the seller;
12 2. The address of the principal place of business from
13 which he engages in the business of selling tangible
14 personal property at retail in this State;

15 3. The total amount of taxable receipts received by him
16 during the preceding calendar month from sales of tangible
17 personal property by him during such preceding calendar
18 month, including receipts from charge and time sales, but
19 less all deductions allowed by law;

20 4. The amount of credit provided in Section 2d of this
21 Act;

22 5. The amount of tax due;

23 5-5. The signature of the taxpayer; and

24 6. Such other reasonable information as the Department
25 may require.

26 If a taxpayer fails to sign a return within 30 days after

1 the proper notice and demand for signature by the Department,
2 the return shall be considered valid and any amount shown to be
3 due on the return shall be deemed assessed.

4 Notwithstanding any other provision of this Act to the
5 contrary, retailers subject to tax on cannabis shall file all
6 cannabis tax returns and shall make all cannabis tax payments
7 by electronic means in the manner and form required by the
8 Department.

9 Beginning October 1, 1993, a taxpayer who has an average
10 monthly tax liability of \$150,000 or more shall make all
11 payments required by rules of the Department by electronic
12 funds transfer. Beginning October 1, 1994, a taxpayer who has
13 an average monthly tax liability of \$100,000 or more shall make
14 all payments required by rules of the Department by electronic
15 funds transfer. Beginning October 1, 1995, a taxpayer who has
16 an average monthly tax liability of \$50,000 or more shall make
17 all payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 2000, a taxpayer who has
19 an annual tax liability of \$200,000 or more shall make all
20 payments required by rules of the Department by electronic
21 funds transfer. The term "annual tax liability" shall be the
22 sum of the taxpayer's liabilities under this Act, and under all
23 other State and local occupation and use tax laws administered
24 by the Department, for the immediately preceding calendar year.
25 The term "average monthly tax liability" means the sum of the
26 taxpayer's liabilities under this Act, and under all other

1 State and local occupation and use tax laws administered by the
2 Department, for the immediately preceding calendar year
3 divided by 12. Beginning on October 1, 2002, a taxpayer who has
4 a tax liability in the amount set forth in subsection (b) of
5 Section 2505-210 of the Department of Revenue Law shall make
6 all payments required by rules of the Department by electronic
7 funds transfer.

8 Before August 1 of each year beginning in 1993, the
9 Department shall notify all taxpayers required to make payments
10 by electronic funds transfer. All taxpayers required to make
11 payments by electronic funds transfer shall make those payments
12 for a minimum of one year beginning on October 1.

13 Any taxpayer not required to make payments by electronic
14 funds transfer may make payments by electronic funds transfer
15 with the permission of the Department.

16 All taxpayers required to make payment by electronic funds
17 transfer and any taxpayers authorized to voluntarily make
18 payments by electronic funds transfer shall make those payments
19 in the manner authorized by the Department.

20 The Department shall adopt such rules as are necessary to
21 effectuate a program of electronic funds transfer and the
22 requirements of this Section.

23 Before October 1, 2000, if the taxpayer's average monthly
24 tax liability to the Department under this Act, the Retailers'
25 Occupation Tax Act, the Service Occupation Tax Act, the Service
26 Use Tax Act was \$10,000 or more during the preceding 4 complete

1 calendar quarters, he shall file a return with the Department
2 each month by the 20th day of the month next following the
3 month during which such tax liability is incurred and shall
4 make payments to the Department on or before the 7th, 15th,
5 22nd and last day of the month during which such liability is
6 incurred. On and after October 1, 2000, if the taxpayer's
7 average monthly tax liability to the Department under this Act,
8 the Retailers' Occupation Tax Act, the Service Occupation Tax
9 Act, and the Service Use Tax Act was \$20,000 or more during the
10 preceding 4 complete calendar quarters, he shall file a return
11 with the Department each month by the 20th day of the month
12 next following the month during which such tax liability is
13 incurred and shall make payment to the Department on or before
14 the 7th, 15th, 22nd and last day of the month during which such
15 liability is incurred. If the month during which such tax
16 liability is incurred began prior to January 1, 1985, each
17 payment shall be in an amount equal to 1/4 of the taxpayer's
18 actual liability for the month or an amount set by the
19 Department not to exceed 1/4 of the average monthly liability
20 of the taxpayer to the Department for the preceding 4 complete
21 calendar quarters (excluding the month of highest liability and
22 the month of lowest liability in such 4 quarter period). If the
23 month during which such tax liability is incurred begins on or
24 after January 1, 1985, and prior to January 1, 1987, each
25 payment shall be in an amount equal to 22.5% of the taxpayer's
26 actual liability for the month or 27.5% of the taxpayer's

1 liability for the same calendar month of the preceding year. If
2 the month during which such tax liability is incurred begins on
3 or after January 1, 1987, and prior to January 1, 1988, each
4 payment shall be in an amount equal to 22.5% of the taxpayer's
5 actual liability for the month or 26.25% of the taxpayer's
6 liability for the same calendar month of the preceding year. If
7 the month during which such tax liability is incurred begins on
8 or after January 1, 1988, and prior to January 1, 1989, or
9 begins on or after January 1, 1996, each payment shall be in an
10 amount equal to 22.5% of the taxpayer's actual liability for
11 the month or 25% of the taxpayer's liability for the same
12 calendar month of the preceding year. If the month during which
13 such tax liability is incurred begins on or after January 1,
14 1989, and prior to January 1, 1996, each payment shall be in an
15 amount equal to 22.5% of the taxpayer's actual liability for
16 the month or 25% of the taxpayer's liability for the same
17 calendar month of the preceding year or 100% of the taxpayer's
18 actual liability for the quarter monthly reporting period. The
19 amount of such quarter monthly payments shall be credited
20 against the final tax liability of the taxpayer's return for
21 that month. Before October 1, 2000, once applicable, the
22 requirement of the making of quarter monthly payments to the
23 Department shall continue until such taxpayer's average
24 monthly liability to the Department during the preceding 4
25 complete calendar quarters (excluding the month of highest
26 liability and the month of lowest liability) is less than

1 \$9,000, or until such taxpayer's average monthly liability to
2 the Department as computed for each calendar quarter of the 4
3 preceding complete calendar quarter period is less than
4 \$10,000. However, if a taxpayer can show the Department that a
5 substantial change in the taxpayer's business has occurred
6 which causes the taxpayer to anticipate that his average
7 monthly tax liability for the reasonably foreseeable future
8 will fall below the \$10,000 threshold stated above, then such
9 taxpayer may petition the Department for change in such
10 taxpayer's reporting status. On and after October 1, 2000, once
11 applicable, the requirement of the making of quarter monthly
12 payments to the Department shall continue until such taxpayer's
13 average monthly liability to the Department during the
14 preceding 4 complete calendar quarters (excluding the month of
15 highest liability and the month of lowest liability) is less
16 than \$19,000 or until such taxpayer's average monthly liability
17 to the Department as computed for each calendar quarter of the
18 4 preceding complete calendar quarter period is less than
19 \$20,000. However, if a taxpayer can show the Department that a
20 substantial change in the taxpayer's business has occurred
21 which causes the taxpayer to anticipate that his average
22 monthly tax liability for the reasonably foreseeable future
23 will fall below the \$20,000 threshold stated above, then such
24 taxpayer may petition the Department for a change in such
25 taxpayer's reporting status. The Department shall change such
26 taxpayer's reporting status unless it finds that such change is

1 seasonal in nature and not likely to be long term. If any such
2 quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

13 If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made

1 after December 31, 1986, no credit memorandum shall be issued,
2 unless requested by the taxpayer. If no such request is made,
3 the taxpayer may credit such excess payment against tax
4 liability subsequently to be remitted by the taxpayer to the
5 Department under this Act, the Retailers' Occupation Tax Act,
6 the Service Occupation Tax Act or the Service Use Tax Act, in
7 accordance with reasonable rules and regulations prescribed by
8 the Department. If the Department subsequently determines that
9 all or any part of the credit taken was not actually due to the
10 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
11 be reduced by 2.1% or 1.75% of the difference between the
12 credit taken and that actually due, and the taxpayer shall be
13 liable for penalties and interest on such difference.

14 If the retailer is otherwise required to file a monthly
15 return and if the retailer's average monthly tax liability to
16 the Department does not exceed \$200, the Department may
17 authorize his returns to be filed on a quarter annual basis,
18 with the return for January, February, and March of a given
19 year being due by April 20 of such year; with the return for
20 April, May and June of a given year being due by July 20 of such
21 year; with the return for July, August and September of a given
22 year being due by October 20 of such year, and with the return
23 for October, November and December of a given year being due by
24 January 20 of the following year.

25 If the retailer is otherwise required to file a monthly or
26 quarterly return and if the retailer's average monthly tax

1 liability to the Department does not exceed \$50, the Department
2 may authorize his returns to be filed on an annual basis, with
3 the return for a given year being due by January 20 of the
4 following year.

5 Such quarter annual and annual returns, as to form and
6 substance, shall be subject to the same requirements as monthly
7 returns.

8 Notwithstanding any other provision in this Act concerning
9 the time within which a retailer may file his return, in the
10 case of any retailer who ceases to engage in a kind of business
11 which makes him responsible for filing returns under this Act,
12 such retailer shall file a final return under this Act with the
13 Department not more than one month after discontinuing such
14 business.

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, except as otherwise provided in this
18 Section, every retailer selling this kind of tangible personal
19 property shall file, with the Department, upon a form to be
20 prescribed and supplied by the Department, a separate return
21 for each such item of tangible personal property which the
22 retailer sells, except that if, in the same transaction, (i) a
23 retailer of aircraft, watercraft, motor vehicles or trailers
24 transfers more than one aircraft, watercraft, motor vehicle or
25 trailer to another aircraft, watercraft, motor vehicle or
26 trailer retailer for the purpose of resale or (ii) a retailer

1 of aircraft, watercraft, motor vehicles, or trailers transfers
2 more than one aircraft, watercraft, motor vehicle, or trailer
3 to a purchaser for use as a qualifying rolling stock as
4 provided in Section 3-55 of this Act, then that seller may
5 report the transfer of all the aircraft, watercraft, motor
6 vehicles or trailers involved in that transaction to the
7 Department on the same uniform invoice-transaction reporting
8 return form. For purposes of this Section, "watercraft" means a
9 Class 2, Class 3, or Class 4 watercraft as defined in Section
10 3-2 of the Boat Registration and Safety Act, a personal
11 watercraft, or any boat equipped with an inboard motor.

12 In addition, with respect to motor vehicles, watercraft,
13 aircraft, and trailers that are required to be registered with
14 an agency of this State, every person who is engaged in the
15 business of leasing or renting such items and who, in
16 connection with such business, sells any such item to a
17 retailer for the purpose of resale is, notwithstanding any
18 other provision of this Section to the contrary, authorized to
19 meet the return-filing requirement of this Act by reporting the
20 transfer of all the aircraft, watercraft, motor vehicles, or
21 trailers transferred for resale during a month to the
22 Department on the same uniform invoice-transaction reporting
23 return form on or before the 20th of the month following the
24 month in which the transfer takes place. Notwithstanding any
25 other provision of this Act to the contrary, all returns filed
26 under this paragraph must be filed by electronic means in the

1 manner and form as required by the Department.

2 The transaction reporting return in the case of motor
3 vehicles or trailers that are required to be registered with an
4 agency of this State, shall be the same document as the Uniform
5 Invoice referred to in Section 5-402 of the Illinois Vehicle
6 Code and must show the name and address of the seller; the name
7 and address of the purchaser; the amount of the selling price
8 including the amount allowed by the retailer for traded-in
9 property, if any; the amount allowed by the retailer for the
10 traded-in tangible personal property, if any, to the extent to
11 which Section 2 of this Act allows an exemption for the value
12 of traded-in property; the balance payable after deducting such
13 trade-in allowance from the total selling price; the amount of
14 tax due from the retailer with respect to such transaction; the
15 amount of tax collected from the purchaser by the retailer on
16 such transaction (or satisfactory evidence that such tax is not
17 due in that particular instance, if that is claimed to be the
18 fact); the place and date of the sale; a sufficient
19 identification of the property sold; such other information as
20 is required in Section 5-402 of the Illinois Vehicle Code, and
21 such other information as the Department may reasonably
22 require.

23 The transaction reporting return in the case of watercraft
24 and aircraft must show the name and address of the seller; the
25 name and address of the purchaser; the amount of the selling
26 price including the amount allowed by the retailer for

1 traded-in property, if any; the amount allowed by the retailer
2 for the traded-in tangible personal property, if any, to the
3 extent to which Section 2 of this Act allows an exemption for
4 the value of traded-in property; the balance payable after
5 deducting such trade-in allowance from the total selling price;
6 the amount of tax due from the retailer with respect to such
7 transaction; the amount of tax collected from the purchaser by
8 the retailer on such transaction (or satisfactory evidence that
9 such tax is not due in that particular instance, if that is
10 claimed to be the fact); the place and date of the sale, a
11 sufficient identification of the property sold, and such other
12 information as the Department may reasonably require.

13 Such transaction reporting return shall be filed not later
14 than 20 days after the date of delivery of the item that is
15 being sold, but may be filed by the retailer at any time sooner
16 than that if he chooses to do so. The transaction reporting
17 return and tax remittance or proof of exemption from the tax
18 that is imposed by this Act may be transmitted to the
19 Department by way of the State agency with which, or State
20 officer with whom, the tangible personal property must be
21 titled or registered (if titling or registration is required)
22 if the Department and such agency or State officer determine
23 that this procedure will expedite the processing of
24 applications for title or registration.

25 With each such transaction reporting return, the retailer
26 shall remit the proper amount of tax due (or shall submit

1 satisfactory evidence that the sale is not taxable if that is
2 the case), to the Department or its agents, whereupon the
3 Department shall issue, in the purchaser's name, a tax receipt
4 (or a certificate of exemption if the Department is satisfied
5 that the particular sale is tax exempt) which such purchaser
6 may submit to the agency with which, or State officer with
7 whom, he must title or register the tangible personal property
8 that is involved (if titling or registration is required) in
9 support of such purchaser's application for an Illinois
10 certificate or other evidence of title or registration to such
11 tangible personal property.

12 No retailer's failure or refusal to remit tax under this
13 Act precludes a user, who has paid the proper tax to the
14 retailer, from obtaining his certificate of title or other
15 evidence of title or registration (if titling or registration
16 is required) upon satisfying the Department that such user has
17 paid the proper tax (if tax is due) to the retailer. The
18 Department shall adopt appropriate rules to carry out the
19 mandate of this paragraph.

20 If the user who would otherwise pay tax to the retailer
21 wants the transaction reporting return filed and the payment of
22 tax or proof of exemption made to the Department before the
23 retailer is willing to take these actions and such user has not
24 paid the tax to the retailer, such user may certify to the fact
25 of such delay by the retailer, and may (upon the Department
26 being satisfied of the truth of such certification) transmit

1 the information required by the transaction reporting return
2 and the remittance for tax or proof of exemption directly to
3 the Department and obtain his tax receipt or exemption
4 determination, in which event the transaction reporting return
5 and tax remittance (if a tax payment was required) shall be
6 credited by the Department to the proper retailer's account
7 with the Department, but without the 2.1% or 1.75% discount
8 provided for in this Section being allowed. When the user pays
9 the tax directly to the Department, he shall pay the tax in the
10 same amount and in the same form in which it would be remitted
11 if the tax had been remitted to the Department by the retailer.

12 Where a retailer collects the tax with respect to the
13 selling price of tangible personal property which he sells and
14 the purchaser thereafter returns such tangible personal
15 property and the retailer refunds the selling price thereof to
16 the purchaser, such retailer shall also refund, to the
17 purchaser, the tax so collected from the purchaser. When filing
18 his return for the period in which he refunds such tax to the
19 purchaser, the retailer may deduct the amount of the tax so
20 refunded by him to the purchaser from any other use tax which
21 such retailer may be required to pay or remit to the
22 Department, as shown by such return, if the amount of the tax
23 to be deducted was previously remitted to the Department by
24 such retailer. If the retailer has not previously remitted the
25 amount of such tax to the Department, he is entitled to no
26 deduction under this Act upon refunding such tax to the

1 purchaser.

2 Any retailer filing a return under this Section shall also
3 include (for the purpose of paying tax thereon) the total tax
4 covered by such return upon the selling price of tangible
5 personal property purchased by him at retail from a retailer,
6 but as to which the tax imposed by this Act was not collected
7 from the retailer filing such return, and such retailer shall
8 remit the amount of such tax to the Department when filing such
9 return.

10 If experience indicates such action to be practicable, the
11 Department may prescribe and furnish a combination or joint
12 return which will enable retailers, who are required to file
13 returns hereunder and also under the Retailers' Occupation Tax
14 Act, to furnish all the return information required by both
15 Acts on the one form.

16 Where the retailer has more than one business registered
17 with the Department under separate registration under this Act,
18 such retailer may not file each return that is due as a single
19 return covering all such registered businesses, but shall file
20 separate returns for each such registered business.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the State and Local Sales Tax Reform Fund, a special
23 fund in the State Treasury which is hereby created, the net
24 revenue realized for the preceding month from the 1% tax
25 imposed under this Act.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the County and Mass Transit District Fund 4% of the
2 net revenue realized for the preceding month from the 6.25%
3 general rate on the selling price of tangible personal property
4 which is purchased outside Illinois at retail from a retailer
5 and which is titled or registered by an agency of this State's
6 government.

7 Beginning January 1, 1990, each month the Department shall
8 pay into the State and Local Sales Tax Reform Fund, a special
9 fund in the State Treasury, 20% of the net revenue realized for
10 the preceding month from the 6.25% general rate on the selling
11 price of tangible personal property, other than tangible
12 personal property which is purchased outside Illinois at retail
13 from a retailer and which is titled or registered by an agency
14 of this State's government.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund 100% of the
17 net revenue realized for the preceding month from the 1.25%
18 rate on the selling price of motor fuel and gasohol. Beginning
19 September 1, 2010, each month the Department shall pay into the
20 State and Local Sales Tax Reform Fund 100% of the net revenue
21 realized for the preceding month from the 1.25% rate on the
22 selling price of sales tax holiday items.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund 16% of the net revenue
25 realized for the preceding month from the 6.25% general rate on
26 the selling price of tangible personal property which is

1 purchased outside Illinois at retail from a retailer and which
2 is titled or registered by an agency of this State's
3 government.

4 Beginning October 1, 2009, each month the Department shall
5 pay into the Capital Projects Fund an amount that is equal to
6 an amount estimated by the Department to represent 80% of the
7 net revenue realized for the preceding month from the sale of
8 candy, grooming and hygiene products, and soft drinks that had
9 been taxed at a rate of 1% prior to September 1, 2009 but that
10 are now taxed at 6.25%.

11 Beginning July 1, 2011, each month the Department shall pay
12 into the Clean Air Act Permit Fund 80% of the net revenue
13 realized for the preceding month from the 6.25% general rate on
14 the selling price of sorbents used in Illinois in the process
15 of sorbent injection as used to comply with the Environmental
16 Protection Act or the federal Clean Air Act, but the total
17 payment into the Clean Air Act Permit Fund under this Act and
18 the Retailers' Occupation Tax Act shall not exceed \$2,000,000
19 in any fiscal year.

20 Beginning July 1, 2013, each month the Department shall pay
21 into the Underground Storage Tank Fund from the proceeds
22 collected under this Act, the Service Use Tax Act, the Service
23 Occupation Tax Act, and the Retailers' Occupation Tax Act an
24 amount equal to the average monthly deficit in the Underground
25 Storage Tank Fund during the prior year, as certified annually
26 by the Illinois Environmental Protection Agency, but the total

1 payment into the Underground Storage Tank Fund under this Act,
2 the Service Use Tax Act, the Service Occupation Tax Act, and
3 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
4 in any State fiscal year. As used in this paragraph, the
5 "average monthly deficit" shall be equal to the difference
6 between the average monthly claims for payment by the fund and
7 the average monthly revenues deposited into the fund, excluding
8 payments made pursuant to this paragraph.

9 Beginning July 1, 2015, of the remainder of the moneys
10 received by the Department under this Act, the Service Use Tax
11 Act, the Service Occupation Tax Act, and the Retailers'
12 Occupation Tax Act, each month the Department shall deposit
13 \$500,000 into the State Crime Laboratory Fund.

14 Of the remainder of the moneys received by the Department
15 pursuant to this Act, (a) 1.75% thereof shall be paid into the
16 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
17 and after July 1, 1989, 3.8% thereof shall be paid into the
18 Build Illinois Fund; provided, however, that if in any fiscal
19 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
20 may be, of the moneys received by the Department and required
21 to be paid into the Build Illinois Fund pursuant to Section 3
22 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
23 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
24 Service Occupation Tax Act, such Acts being hereinafter called
25 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
26 may be, of moneys being hereinafter called the "Tax Act

1 Amount", and (2) the amount transferred to the Build Illinois
2 Fund from the State and Local Sales Tax Reform Fund shall be
3 less than the Annual Specified Amount (as defined in Section 3
4 of the Retailers' Occupation Tax Act), an amount equal to the
5 difference shall be immediately paid into the Build Illinois
6 Fund from other moneys received by the Department pursuant to
7 the Tax Acts; and further provided, that if on the last
8 business day of any month the sum of (1) the Tax Act Amount
9 required to be deposited into the Build Illinois Bond Account
10 in the Build Illinois Fund during such month and (2) the amount
11 transferred during such month to the Build Illinois Fund from
12 the State and Local Sales Tax Reform Fund shall have been less
13 than 1/12 of the Annual Specified Amount, an amount equal to
14 the difference shall be immediately paid into the Build
15 Illinois Fund from other moneys received by the Department
16 pursuant to the Tax Acts; and, further provided, that in no
17 event shall the payments required under the preceding proviso
18 result in aggregate payments into the Build Illinois Fund
19 pursuant to this clause (b) for any fiscal year in excess of
20 the greater of (i) the Tax Act Amount or (ii) the Annual
21 Specified Amount for such fiscal year; and, further provided,
22 that the amounts payable into the Build Illinois Fund under
23 this clause (b) shall be payable only until such time as the
24 aggregate amount on deposit under each trust indenture securing
25 Bonds issued and outstanding pursuant to the Build Illinois
26 Bond Act is sufficient, taking into account any future

1 investment income, to fully provide, in accordance with such
2 indenture, for the defeasance of or the payment of the
3 principal of, premium, if any, and interest on the Bonds
4 secured by such indenture and on any Bonds expected to be
5 issued thereafter and all fees and costs payable with respect
6 thereto, all as certified by the Director of the Bureau of the
7 Budget (now Governor's Office of Management and Budget). If on
8 the last business day of any month in which Bonds are
9 outstanding pursuant to the Build Illinois Bond Act, the
10 aggregate of the moneys deposited in the Build Illinois Bond
11 Account in the Build Illinois Fund in such month shall be less
12 than the amount required to be transferred in such month from
13 the Build Illinois Bond Account to the Build Illinois Bond
14 Retirement and Interest Fund pursuant to Section 13 of the
15 Build Illinois Bond Act, an amount equal to such deficiency
16 shall be immediately paid from other moneys received by the
17 Department pursuant to the Tax Acts to the Build Illinois Fund;
18 provided, however, that any amounts paid to the Build Illinois
19 Fund in any fiscal year pursuant to this sentence shall be
20 deemed to constitute payments pursuant to clause (b) of the
21 preceding sentence and shall reduce the amount otherwise
22 payable for such fiscal year pursuant to clause (b) of the
23 preceding sentence. The moneys received by the Department
24 pursuant to this Act and required to be deposited into the
25 Build Illinois Fund are subject to the pledge, claim and charge
26 set forth in Section 12 of the Build Illinois Bond Act.

1 Subject to payment of amounts into the Build Illinois Fund
2 as provided in the preceding paragraph or in any amendment
3 thereto hereafter enacted, the following specified monthly
4 installment of the amount requested in the certificate of the
5 Chairman of the Metropolitan Pier and Exposition Authority
6 provided under Section 8.25f of the State Finance Act, but not
7 in excess of the sums designated as "Total Deposit", shall be
8 deposited in the aggregate from collections under Section 9 of
9 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
10 9 of the Service Occupation Tax Act, and Section 3 of the
11 Retailers' Occupation Tax Act into the McCormick Place
12 Expansion Project Fund in the specified fiscal years.

	Fiscal Year	Total Deposit
14	1993	\$0
15	1994	53,000,000
16	1995	58,000,000
17	1996	61,000,000
18	1997	64,000,000
19	1998	68,000,000
20	1999	71,000,000
21	2000	75,000,000
22	2001	80,000,000
23	2002	93,000,000
24	2003	99,000,000
25	2004	103,000,000
26	2005	108,000,000

1	2006	113,000,000
2	2007	119,000,000
3	2008	126,000,000
4	2009	132,000,000
5	2010	139,000,000
6	2011	146,000,000
7	2012	153,000,000
8	2013	161,000,000
9	2014	170,000,000
10	2015	179,000,000
11	2016	189,000,000
12	2017	199,000,000
13	2018	210,000,000
14	2019	221,000,000
15	2020	233,000,000
16	2021	246,000,000
17	2022	260,000,000
18	2023	275,000,000
19	2024	275,000,000
20	2025	275,000,000
21	2026	279,000,000
22	2027	292,000,000
23	2028	307,000,000
24	2029	322,000,000
25	2030	338,000,000
26	2031	350,000,000

1 2032 350,000,000
2 and
3 each fiscal year
4 thereafter that bonds
5 are outstanding under
6 Section 13.2 of the
7 Metropolitan Pier and
8 Exposition Authority Act,
9 but not after fiscal year 2060.

10 Beginning July 20, 1993 and in each month of each fiscal
11 year thereafter, one-eighth of the amount requested in the
12 certificate of the Chairman of the Metropolitan Pier and
13 Exposition Authority for that fiscal year, less the amount
14 deposited into the McCormick Place Expansion Project Fund by
15 the State Treasurer in the respective month under subsection
16 (g) of Section 13 of the Metropolitan Pier and Exposition
17 Authority Act, plus cumulative deficiencies in the deposits
18 required under this Section for previous months and years,
19 shall be deposited into the McCormick Place Expansion Project
20 Fund, until the full amount requested for the fiscal year, but
21 not in excess of the amount specified above as "Total Deposit",
22 has been deposited.

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning July 1, 1993 and ending on September 30,

1 2013, the Department shall each month pay into the Illinois Tax
2 Increment Fund 0.27% of 80% of the net revenue realized for the
3 preceding month from the 6.25% general rate on the selling
4 price of tangible personal property.

5 Subject to payment of amounts into the Build Illinois Fund
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, beginning with the receipt of the first report of
9 taxes paid by an eligible business and continuing for a 25-year
10 period, the Department shall each month pay into the Energy
11 Infrastructure Fund 80% of the net revenue realized from the
12 6.25% general rate on the selling price of Illinois-mined coal
13 that was sold to an eligible business. For purposes of this
14 paragraph, the term "eligible business" means a new electric
15 generating facility certified pursuant to Section 605-332 of
16 the Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois.

18 Subject to payment of amounts into the Build Illinois Fund,
19 the McCormick Place Expansion Project Fund, the Illinois Tax
20 Increment Fund, and the Energy Infrastructure Fund pursuant to
21 the preceding paragraphs or in any amendments to this Section
22 hereafter enacted, beginning on the first day of the first
23 calendar month to occur on or after August 26, 2014 (the
24 effective date of Public Act 98-1098), each month, from the
25 collections made under Section 9 of the Use Tax Act, Section 9
26 of the Service Use Tax Act, Section 9 of the Service Occupation

1 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
2 the Department shall pay into the Tax Compliance and
3 Administration Fund, to be used, subject to appropriation, to
4 fund additional auditors and compliance personnel at the
5 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
6 the cash receipts collected during the preceding fiscal year by
7 the Audit Bureau of the Department under the Use Tax Act, the
8 Service Use Tax Act, the Service Occupation Tax Act, the
9 Retailers' Occupation Tax Act, and associated local occupation
10 and use taxes administered by the Department.

11 Subject to payments of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
14 Compliance and Administration Fund as provided in this Section,
15 beginning on July 1, 2018 the Department shall pay each month
16 into the Downstate Public Transportation Fund the moneys
17 required to be so paid under Section 2-3 of the Downstate
18 Public Transportation Act.

19 Of the remainder of the moneys received by the Department
20 pursuant to this Act, 75% thereof shall be paid into the State
21 Treasury and 25% shall be reserved in a special account and
22 used only for the transfer to the Common School Fund as part of
23 the monthly transfer from the General Revenue Fund in
24 accordance with Section 8a of the State Finance Act.

25 As soon as possible after the first day of each month, upon
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount
3 equal to 1.7% of 80% of the net revenue realized under this Act
4 for the second preceding month. Beginning April 1, 2000, this
5 transfer is no longer required and shall not be made.

6 Net revenue realized for a month shall be the revenue
7 collected by the State pursuant to this Act, less the amount
8 paid out during that month as refunds to taxpayers for
9 overpayment of liability.

10 For greater simplicity of administration, manufacturers,
11 importers and wholesalers whose products are sold at retail in
12 Illinois by numerous retailers, and who wish to do so, may
13 assume the responsibility for accounting and paying to the
14 Department all tax accruing under this Act with respect to such
15 sales, if the retailers who are affected do not make written
16 objection to the Department to this arrangement.

17 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
18 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.
19 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

20 Section 900-17. The Service Use Tax Act is amended by
21 changing Section 9 as follows:

22 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

23 Sec. 9. Each serviceman required or authorized to collect
24 the tax herein imposed shall pay to the Department the amount

1 of such tax (except as otherwise provided) at the time when he
2 is required to file his return for the period during which such
3 tax was collected, less a discount of 2.1% prior to January 1,
4 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
5 year, whichever is greater, which is allowed to reimburse the
6 serviceman for expenses incurred in collecting the tax, keeping
7 records, preparing and filing returns, remitting the tax and
8 supplying data to the Department on request. The discount
9 allowed under this Section is allowed only for returns that are
10 filed in the manner required by this Act. The Department may
11 disallow the discount for servicemen whose certificate of
12 registration is revoked at the time the return is filed, but
13 only if the Department's decision to revoke the certificate of
14 registration has become final. A serviceman need not remit that
15 part of any tax collected by him to the extent that he is
16 required to pay and does pay the tax imposed by the Service
17 Occupation Tax Act with respect to his sale of service
18 involving the incidental transfer by him of the same property.

19 Except as provided hereinafter in this Section, on or
20 before the twentieth day of each calendar month, such
21 serviceman shall file a return for the preceding calendar month
22 in accordance with reasonable Rules and Regulations to be
23 promulgated by the Department. Such return shall be filed on a
24 form prescribed by the Department and shall contain such
25 information as the Department may reasonably require. On and
26 after January 1, 2018, with respect to servicemen whose annual

1 gross receipts average \$20,000 or more, all returns required to
2 be filed pursuant to this Act shall be filed electronically.
3 Servicemen who demonstrate that they do not have access to the
4 Internet or demonstrate hardship in filing electronically may
5 petition the Department to waive the electronic filing
6 requirement.

7 The Department may require returns to be filed on a
8 quarterly basis. If so required, a return for each calendar
9 quarter shall be filed on or before the twentieth day of the
10 calendar month following the end of such calendar quarter. The
11 taxpayer shall also file a return with the Department for each
12 of the first two months of each calendar quarter, on or before
13 the twentieth day of the following calendar month, stating:

- 14 1. The name of the seller;
- 15 2. The address of the principal place of business from
16 which he engages in business as a serviceman in this State;
- 17 3. The total amount of taxable receipts received by him
18 during the preceding calendar month, including receipts
19 from charge and time sales, but less all deductions allowed
20 by law;
- 21 4. The amount of credit provided in Section 2d of this
22 Act;
- 23 5. The amount of tax due;
- 24 5-5. The signature of the taxpayer; and
- 25 6. Such other reasonable information as the Department
26 may require.

1 If a taxpayer fails to sign a return within 30 days after
2 the proper notice and demand for signature by the Department,
3 the return shall be considered valid and any amount shown to be
4 due on the return shall be deemed assessed.

5 Notwithstanding any other provision of this Act to the
6 contrary, servicemen subject to tax on cannabis shall file all
7 cannabis tax returns and shall make all cannabis tax payments
8 by electronic means in the manner and form required by the
9 Department.

10 Beginning October 1, 1993, a taxpayer who has an average
11 monthly tax liability of \$150,000 or more shall make all
12 payments required by rules of the Department by electronic
13 funds transfer. Beginning October 1, 1994, a taxpayer who has
14 an average monthly tax liability of \$100,000 or more shall make
15 all payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1995, a taxpayer who has
17 an average monthly tax liability of \$50,000 or more shall make
18 all payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 2000, a taxpayer who has
20 an annual tax liability of \$200,000 or more shall make all
21 payments required by rules of the Department by electronic
22 funds transfer. The term "annual tax liability" shall be the
23 sum of the taxpayer's liabilities under this Act, and under all
24 other State and local occupation and use tax laws administered
25 by the Department, for the immediately preceding calendar year.
26 The term "average monthly tax liability" means the sum of the

1 taxpayer's liabilities under this Act, and under all other
2 State and local occupation and use tax laws administered by the
3 Department, for the immediately preceding calendar year
4 divided by 12. Beginning on October 1, 2002, a taxpayer who has
5 a tax liability in the amount set forth in subsection (b) of
6 Section 2505-210 of the Department of Revenue Law shall make
7 all payments required by rules of the Department by electronic
8 funds transfer.

9 Before August 1 of each year beginning in 1993, the
10 Department shall notify all taxpayers required to make payments
11 by electronic funds transfer. All taxpayers required to make
12 payments by electronic funds transfer shall make those payments
13 for a minimum of one year beginning on October 1.

14 Any taxpayer not required to make payments by electronic
15 funds transfer may make payments by electronic funds transfer
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds
18 transfer and any taxpayers authorized to voluntarily make
19 payments by electronic funds transfer shall make those payments
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to
22 effectuate a program of electronic funds transfer and the
23 requirements of this Section.

24 If the serviceman is otherwise required to file a monthly
25 return and if the serviceman's average monthly tax liability to
26 the Department does not exceed \$200, the Department may

1 authorize his returns to be filed on a quarter annual basis,
2 with the return for January, February and March of a given year
3 being due by April 20 of such year; with the return for April,
4 May and June of a given year being due by July 20 of such year;
5 with the return for July, August and September of a given year
6 being due by October 20 of such year, and with the return for
7 October, November and December of a given year being due by
8 January 20 of the following year.

9 If the serviceman is otherwise required to file a monthly
10 or quarterly return and if the serviceman's average monthly tax
11 liability to the Department does not exceed \$50, the Department
12 may authorize his returns to be filed on an annual basis, with
13 the return for a given year being due by January 20 of the
14 following year.

15 Such quarter annual and annual returns, as to form and
16 substance, shall be subject to the same requirements as monthly
17 returns.

18 Notwithstanding any other provision in this Act concerning
19 the time within which a serviceman may file his return, in the
20 case of any serviceman who ceases to engage in a kind of
21 business which makes him responsible for filing returns under
22 this Act, such serviceman shall file a final return under this
23 Act with the Department not more than 1 month after
24 discontinuing such business.

25 Where a serviceman collects the tax with respect to the
26 selling price of property which he sells and the purchaser

1 thereafter returns such property and the serviceman refunds the
2 selling price thereof to the purchaser, such serviceman shall
3 also refund, to the purchaser, the tax so collected from the
4 purchaser. When filing his return for the period in which he
5 refunds such tax to the purchaser, the serviceman may deduct
6 the amount of the tax so refunded by him to the purchaser from
7 any other Service Use Tax, Service Occupation Tax, retailers'
8 occupation tax or use tax which such serviceman may be required
9 to pay or remit to the Department, as shown by such return,
10 provided that the amount of the tax to be deducted shall
11 previously have been remitted to the Department by such
12 serviceman. If the serviceman shall not previously have
13 remitted the amount of such tax to the Department, he shall be
14 entitled to no deduction hereunder upon refunding such tax to
15 the purchaser.

16 Any serviceman filing a return hereunder shall also include
17 the total tax upon the selling price of tangible personal
18 property purchased for use by him as an incident to a sale of
19 service, and such serviceman shall remit the amount of such tax
20 to the Department when filing such return.

21 If experience indicates such action to be practicable, the
22 Department may prescribe and furnish a combination or joint
23 return which will enable servicemen, who are required to file
24 returns hereunder and also under the Service Occupation Tax
25 Act, to furnish all the return information required by both
26 Acts on the one form.

1 Where the serviceman has more than one business registered
2 with the Department under separate registration hereunder,
3 such serviceman shall not file each return that is due as a
4 single return covering all such registered businesses, but
5 shall file separate returns for each such registered business.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the State and Local Tax Reform Fund, a special fund in
8 the State Treasury, the net revenue realized for the preceding
9 month from the 1% tax imposed under this Act.

10 Beginning January 1, 1990, each month the Department shall
11 pay into the State and Local Sales Tax Reform Fund 20% of the
12 net revenue realized for the preceding month from the 6.25%
13 general rate on transfers of tangible personal property, other
14 than tangible personal property which is purchased outside
15 Illinois at retail from a retailer and which is titled or
16 registered by an agency of this State's government.

17 Beginning August 1, 2000, each month the Department shall
18 pay into the State and Local Sales Tax Reform Fund 100% of the
19 net revenue realized for the preceding month from the 1.25%
20 rate on the selling price of motor fuel and gasohol.

21 Beginning October 1, 2009, each month the Department shall
22 pay into the Capital Projects Fund an amount that is equal to
23 an amount estimated by the Department to represent 80% of the
24 net revenue realized for the preceding month from the sale of
25 candy, grooming and hygiene products, and soft drinks that had
26 been taxed at a rate of 1% prior to September 1, 2009 but that

1 are now taxed at 6.25%.

2 Beginning July 1, 2013, each month the Department shall pay
3 into the Underground Storage Tank Fund from the proceeds
4 collected under this Act, the Use Tax Act, the Service
5 Occupation Tax Act, and the Retailers' Occupation Tax Act an
6 amount equal to the average monthly deficit in the Underground
7 Storage Tank Fund during the prior year, as certified annually
8 by the Illinois Environmental Protection Agency, but the total
9 payment into the Underground Storage Tank Fund under this Act,
10 the Use Tax Act, the Service Occupation Tax Act, and the
11 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
12 any State fiscal year. As used in this paragraph, the "average
13 monthly deficit" shall be equal to the difference between the
14 average monthly claims for payment by the fund and the average
15 monthly revenues deposited into the fund, excluding payments
16 made pursuant to this paragraph.

17 Beginning July 1, 2015, of the remainder of the moneys
18 received by the Department under the Use Tax Act, this Act, the
19 Service Occupation Tax Act, and the Retailers' Occupation Tax
20 Act, each month the Department shall deposit \$500,000 into the
21 State Crime Laboratory Fund.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
25 and after July 1, 1989, 3.8% thereof shall be paid into the
26 Build Illinois Fund; provided, however, that if in any fiscal

1 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
2 may be, of the moneys received by the Department and required
3 to be paid into the Build Illinois Fund pursuant to Section 3
4 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
5 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
6 Service Occupation Tax Act, such Acts being hereinafter called
7 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
8 may be, of moneys being hereinafter called the "Tax Act
9 Amount", and (2) the amount transferred to the Build Illinois
10 Fund from the State and Local Sales Tax Reform Fund shall be
11 less than the Annual Specified Amount (as defined in Section 3
12 of the Retailers' Occupation Tax Act), an amount equal to the
13 difference shall be immediately paid into the Build Illinois
14 Fund from other moneys received by the Department pursuant to
15 the Tax Acts; and further provided, that if on the last
16 business day of any month the sum of (1) the Tax Act Amount
17 required to be deposited into the Build Illinois Bond Account
18 in the Build Illinois Fund during such month and (2) the amount
19 transferred during such month to the Build Illinois Fund from
20 the State and Local Sales Tax Reform Fund shall have been less
21 than 1/12 of the Annual Specified Amount, an amount equal to
22 the difference shall be immediately paid into the Build
23 Illinois Fund from other moneys received by the Department
24 pursuant to the Tax Acts; and, further provided, that in no
25 event shall the payments required under the preceding proviso
26 result in aggregate payments into the Build Illinois Fund

1 pursuant to this clause (b) for any fiscal year in excess of
2 the greater of (i) the Tax Act Amount or (ii) the Annual
3 Specified Amount for such fiscal year; and, further provided,
4 that the amounts payable into the Build Illinois Fund under
5 this clause (b) shall be payable only until such time as the
6 aggregate amount on deposit under each trust indenture securing
7 Bonds issued and outstanding pursuant to the Build Illinois
8 Bond Act is sufficient, taking into account any future
9 investment income, to fully provide, in accordance with such
10 indenture, for the defeasance of or the payment of the
11 principal of, premium, if any, and interest on the Bonds
12 secured by such indenture and on any Bonds expected to be
13 issued thereafter and all fees and costs payable with respect
14 thereto, all as certified by the Director of the Bureau of the
15 Budget (now Governor's Office of Management and Budget). If on
16 the last business day of any month in which Bonds are
17 outstanding pursuant to the Build Illinois Bond Act, the
18 aggregate of the moneys deposited in the Build Illinois Bond
19 Account in the Build Illinois Fund in such month shall be less
20 than the amount required to be transferred in such month from
21 the Build Illinois Bond Account to the Build Illinois Bond
22 Retirement and Interest Fund pursuant to Section 13 of the
23 Build Illinois Bond Act, an amount equal to such deficiency
24 shall be immediately paid from other moneys received by the
25 Department pursuant to the Tax Acts to the Build Illinois Fund;
26 provided, however, that any amounts paid to the Build Illinois

1 Fund in any fiscal year pursuant to this sentence shall be
2 deemed to constitute payments pursuant to clause (b) of the
3 preceding sentence and shall reduce the amount otherwise
4 payable for such fiscal year pursuant to clause (b) of the
5 preceding sentence. The moneys received by the Department
6 pursuant to this Act and required to be deposited into the
7 Build Illinois Fund are subject to the pledge, claim and charge
8 set forth in Section 12 of the Build Illinois Bond Act.

9 Subject to payment of amounts into the Build Illinois Fund
10 as provided in the preceding paragraph or in any amendment
11 thereto hereafter enacted, the following specified monthly
12 installment of the amount requested in the certificate of the
13 Chairman of the Metropolitan Pier and Exposition Authority
14 provided under Section 8.25f of the State Finance Act, but not
15 in excess of the sums designated as "Total Deposit", shall be
16 deposited in the aggregate from collections under Section 9 of
17 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
18 9 of the Service Occupation Tax Act, and Section 3 of the
19 Retailers' Occupation Tax Act into the McCormick Place
20 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
22	1993	\$0
23	1994	53,000,000
24	1995	58,000,000
25	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	246,000,000
26	2022	260,000,000

1	2023	275,000,000
2	2024	275,000,000
3	2025	275,000,000
4	2026	279,000,000
5	2027	292,000,000
6	2028	307,000,000
7	2029	322,000,000
8	2030	338,000,000
9	2031	350,000,000
10	2032	350,000,000

11 and

12 each fiscal year

13 thereafter that bonds

14 are outstanding under

15 Section 13.2 of the

16 Metropolitan Pier and

17 Exposition Authority Act,

18 but not after fiscal year 2060.

19 Beginning July 20, 1993 and in each month of each fiscal
20 year thereafter, one-eighth of the amount requested in the
21 certificate of the Chairman of the Metropolitan Pier and
22 Exposition Authority for that fiscal year, less the amount
23 deposited into the McCormick Place Expansion Project Fund by
24 the State Treasurer in the respective month under subsection
25 (g) of Section 13 of the Metropolitan Pier and Exposition
26 Authority Act, plus cumulative deficiencies in the deposits

1 required under this Section for previous months and years,
2 shall be deposited into the McCormick Place Expansion Project
3 Fund, until the full amount requested for the fiscal year, but
4 not in excess of the amount specified above as "Total Deposit",
5 has been deposited.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning July 1, 1993 and ending on September 30,
10 2013, the Department shall each month pay into the Illinois Tax
11 Increment Fund 0.27% of 80% of the net revenue realized for the
12 preceding month from the 6.25% general rate on the selling
13 price of tangible personal property.

14 Subject to payment of amounts into the Build Illinois Fund
15 and the McCormick Place Expansion Project Fund pursuant to the
16 preceding paragraphs or in any amendments thereto hereafter
17 enacted, beginning with the receipt of the first report of
18 taxes paid by an eligible business and continuing for a 25-year
19 period, the Department shall each month pay into the Energy
20 Infrastructure Fund 80% of the net revenue realized from the
21 6.25% general rate on the selling price of Illinois-mined coal
22 that was sold to an eligible business. For purposes of this
23 paragraph, the term "eligible business" means a new electric
24 generating facility certified pursuant to Section 605-332 of
25 the Department of Commerce and Economic Opportunity Law of the
26 Civil Administrative Code of Illinois.

1 Subject to payment of amounts into the Build Illinois Fund,
2 the McCormick Place Expansion Project Fund, the Illinois Tax
3 Increment Fund, and the Energy Infrastructure Fund pursuant to
4 the preceding paragraphs or in any amendments to this Section
5 hereafter enacted, beginning on the first day of the first
6 calendar month to occur on or after August 26, 2014 (the
7 effective date of Public Act 98-1098), each month, from the
8 collections made under Section 9 of the Use Tax Act, Section 9
9 of the Service Use Tax Act, Section 9 of the Service Occupation
10 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
11 the Department shall pay into the Tax Compliance and
12 Administration Fund, to be used, subject to appropriation, to
13 fund additional auditors and compliance personnel at the
14 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
15 the cash receipts collected during the preceding fiscal year by
16 the Audit Bureau of the Department under the Use Tax Act, the
17 Service Use Tax Act, the Service Occupation Tax Act, the
18 Retailers' Occupation Tax Act, and associated local occupation
19 and use taxes administered by the Department.

20 Subject to payments of amounts into the Build Illinois
21 Fund, the McCormick Place Expansion Project Fund, the Illinois
22 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
23 Compliance and Administration Fund as provided in this Section,
24 beginning on July 1, 2018 the Department shall pay each month
25 into the Downstate Public Transportation Fund the moneys
26 required to be so paid under Section 2-3 of the Downstate

1 Public Transportation Act.

2 Of the remainder of the moneys received by the Department
3 pursuant to this Act, 75% thereof shall be paid into the
4 General Revenue Fund of the State Treasury and 25% shall be
5 reserved in a special account and used only for the transfer to
6 the Common School Fund as part of the monthly transfer from the
7 General Revenue Fund in accordance with Section 8a of the State
8 Finance Act.

9 As soon as possible after the first day of each month, upon
10 certification of the Department of Revenue, the Comptroller
11 shall order transferred and the Treasurer shall transfer from
12 the General Revenue Fund to the Motor Fuel Tax Fund an amount
13 equal to 1.7% of 80% of the net revenue realized under this Act
14 for the second preceding month. Beginning April 1, 2000, this
15 transfer is no longer required and shall not be made.

16 Net revenue realized for a month shall be the revenue
17 collected by the State pursuant to this Act, less the amount
18 paid out during that month as refunds to taxpayers for
19 overpayment of liability.

20 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
21 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
22 8-14-18; 100-1171, eff. 1-4-19.)

23 Section 900-18. The Service Occupation Tax Act is amended
24 by changing Section 9 as follows:

1 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

2 Sec. 9. Each serviceman required or authorized to collect
3 the tax herein imposed shall pay to the Department the amount
4 of such tax at the time when he is required to file his return
5 for the period during which such tax was collectible, less a
6 discount of 2.1% prior to January 1, 1990, and 1.75% on and
7 after January 1, 1990, or \$5 per calendar year, whichever is
8 greater, which is allowed to reimburse the serviceman for
9 expenses incurred in collecting the tax, keeping records,
10 preparing and filing returns, remitting the tax and supplying
11 data to the Department on request. The discount allowed under
12 this Section is allowed only for returns that are filed in the
13 manner required by this Act. The Department may disallow the
14 discount for servicemen whose certificate of registration is
15 revoked at the time the return is filed, but only if the
16 Department's decision to revoke the certificate of
17 registration has become final.

18 Where such tangible personal property is sold under a
19 conditional sales contract, or under any other form of sale
20 wherein the payment of the principal sum, or a part thereof, is
21 extended beyond the close of the period for which the return is
22 filed, the serviceman, in collecting the tax may collect, for
23 each tax return period, only the tax applicable to the part of
24 the selling price actually received during such tax return
25 period.

26 Except as provided hereinafter in this Section, on or

1 before the twentieth day of each calendar month, such
2 serviceman shall file a return for the preceding calendar month
3 in accordance with reasonable rules and regulations to be
4 promulgated by the Department of Revenue. Such return shall be
5 filed on a form prescribed by the Department and shall contain
6 such information as the Department may reasonably require. On
7 and after January 1, 2018, with respect to servicemen whose
8 annual gross receipts average \$20,000 or more, all returns
9 required to be filed pursuant to this Act shall be filed
10 electronically. Servicemen who demonstrate that they do not
11 have access to the Internet or demonstrate hardship in filing
12 electronically may petition the Department to waive the
13 electronic filing requirement.

14 The Department may require returns to be filed on a
15 quarterly basis. If so required, a return for each calendar
16 quarter shall be filed on or before the twentieth day of the
17 calendar month following the end of such calendar quarter. The
18 taxpayer shall also file a return with the Department for each
19 of the first two months of each calendar quarter, on or before
20 the twentieth day of the following calendar month, stating:

- 21 1. The name of the seller;
- 22 2. The address of the principal place of business from
23 which he engages in business as a serviceman in this State;
- 24 3. The total amount of taxable receipts received by him
25 during the preceding calendar month, including receipts
26 from charge and time sales, but less all deductions allowed

1 by law;

2 4. The amount of credit provided in Section 2d of this
3 Act;

4 5. The amount of tax due;

5-5. The signature of the taxpayer; and

6 6. Such other reasonable information as the Department
7 may require.

8 If a taxpayer fails to sign a return within 30 days after
9 the proper notice and demand for signature by the Department,
10 the return shall be considered valid and any amount shown to be
11 due on the return shall be deemed assessed.

12 Notwithstanding any other provision of this Act to the
13 contrary, servicemen subject to tax on cannabis shall file all
14 cannabis tax returns and shall make all cannabis tax payments
15 by electronic means in the manner and form required by the
16 Department.

17 Prior to October 1, 2003, and on and after September 1,
18 2004 a serviceman may accept a Manufacturer's Purchase Credit
19 certification from a purchaser in satisfaction of Service Use
20 Tax as provided in Section 3-70 of the Service Use Tax Act if
21 the purchaser provides the appropriate documentation as
22 required by Section 3-70 of the Service Use Tax Act. A
23 Manufacturer's Purchase Credit certification, accepted prior
24 to October 1, 2003 or on or after September 1, 2004 by a
25 serviceman as provided in Section 3-70 of the Service Use Tax
26 Act, may be used by that serviceman to satisfy Service

1 Occupation Tax liability in the amount claimed in the
2 certification, not to exceed 6.25% of the receipts subject to
3 tax from a qualifying purchase. A Manufacturer's Purchase
4 Credit reported on any original or amended return filed under
5 this Act after October 20, 2003 for reporting periods prior to
6 September 1, 2004 shall be disallowed. Manufacturer's Purchase
7 Credit reported on annual returns due on or after January 1,
8 2005 will be disallowed for periods prior to September 1, 2004.
9 No Manufacturer's Purchase Credit may be used after September
10 30, 2003 through August 31, 2004 to satisfy any tax liability
11 imposed under this Act, including any audit liability.

12 If the serviceman's average monthly tax liability to the
13 Department does not exceed \$200, the Department may authorize
14 his returns to be filed on a quarter annual basis, with the
15 return for January, February and March of a given year being
16 due by April 20 of such year; with the return for April, May
17 and June of a given year being due by July 20 of such year; with
18 the return for July, August and September of a given year being
19 due by October 20 of such year, and with the return for
20 October, November and December of a given year being due by
21 January 20 of the following year.

22 If the serviceman's average monthly tax liability to the
23 Department does not exceed \$50, the Department may authorize
24 his returns to be filed on an annual basis, with the return for
25 a given year being due by January 20 of the following year.

26 Such quarter annual and annual returns, as to form and

1 substance, shall be subject to the same requirements as monthly
2 returns.

3 Notwithstanding any other provision in this Act concerning
4 the time within which a serviceman may file his return, in the
5 case of any serviceman who ceases to engage in a kind of
6 business which makes him responsible for filing returns under
7 this Act, such serviceman shall file a final return under this
8 Act with the Department not more than 1 month after
9 discontinuing such business.

10 Beginning October 1, 1993, a taxpayer who has an average
11 monthly tax liability of \$150,000 or more shall make all
12 payments required by rules of the Department by electronic
13 funds transfer. Beginning October 1, 1994, a taxpayer who has
14 an average monthly tax liability of \$100,000 or more shall make
15 all payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1995, a taxpayer who has
17 an average monthly tax liability of \$50,000 or more shall make
18 all payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 2000, a taxpayer who has
20 an annual tax liability of \$200,000 or more shall make all
21 payments required by rules of the Department by electronic
22 funds transfer. The term "annual tax liability" shall be the
23 sum of the taxpayer's liabilities under this Act, and under all
24 other State and local occupation and use tax laws administered
25 by the Department, for the immediately preceding calendar year.
26 The term "average monthly tax liability" means the sum of the

1 taxpayer's liabilities under this Act, and under all other
2 State and local occupation and use tax laws administered by the
3 Department, for the immediately preceding calendar year
4 divided by 12. Beginning on October 1, 2002, a taxpayer who has
5 a tax liability in the amount set forth in subsection (b) of
6 Section 2505-210 of the Department of Revenue Law shall make
7 all payments required by rules of the Department by electronic
8 funds transfer.

9 Before August 1 of each year beginning in 1993, the
10 Department shall notify all taxpayers required to make payments
11 by electronic funds transfer. All taxpayers required to make
12 payments by electronic funds transfer shall make those payments
13 for a minimum of one year beginning on October 1.

14 Any taxpayer not required to make payments by electronic
15 funds transfer may make payments by electronic funds transfer
16 with the permission of the Department.

17 All taxpayers required to make payment by electronic funds
18 transfer and any taxpayers authorized to voluntarily make
19 payments by electronic funds transfer shall make those payments
20 in the manner authorized by the Department.

21 The Department shall adopt such rules as are necessary to
22 effectuate a program of electronic funds transfer and the
23 requirements of this Section.

24 Where a serviceman collects the tax with respect to the
25 selling price of tangible personal property which he sells and
26 the purchaser thereafter returns such tangible personal

1 property and the serviceman refunds the selling price thereof
2 to the purchaser, such serviceman shall also refund, to the
3 purchaser, the tax so collected from the purchaser. When filing
4 his return for the period in which he refunds such tax to the
5 purchaser, the serviceman may deduct the amount of the tax so
6 refunded by him to the purchaser from any other Service
7 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
8 Use Tax which such serviceman may be required to pay or remit
9 to the Department, as shown by such return, provided that the
10 amount of the tax to be deducted shall previously have been
11 remitted to the Department by such serviceman. If the
12 serviceman shall not previously have remitted the amount of
13 such tax to the Department, he shall be entitled to no
14 deduction hereunder upon refunding such tax to the purchaser.

15 If experience indicates such action to be practicable, the
16 Department may prescribe and furnish a combination or joint
17 return which will enable servicemen, who are required to file
18 returns hereunder and also under the Retailers' Occupation Tax
19 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
20 the return information required by all said Acts on the one
21 form.

22 Where the serviceman has more than one business registered
23 with the Department under separate registrations hereunder,
24 such serviceman shall file separate returns for each registered
25 business.

26 Beginning January 1, 1990, each month the Department shall

1 pay into the Local Government Tax Fund the revenue realized for
2 the preceding month from the 1% tax imposed under this Act.

3 Beginning January 1, 1990, each month the Department shall
4 pay into the County and Mass Transit District Fund 4% of the
5 revenue realized for the preceding month from the 6.25% general
6 rate.

7 Beginning August 1, 2000, each month the Department shall
8 pay into the County and Mass Transit District Fund 20% of the
9 net revenue realized for the preceding month from the 1.25%
10 rate on the selling price of motor fuel and gasohol.

11 Beginning January 1, 1990, each month the Department shall
12 pay into the Local Government Tax Fund 16% of the revenue
13 realized for the preceding month from the 6.25% general rate on
14 transfers of tangible personal property.

15 Beginning August 1, 2000, each month the Department shall
16 pay into the Local Government Tax Fund 80% of the net revenue
17 realized for the preceding month from the 1.25% rate on the
18 selling price of motor fuel and gasohol.

19 Beginning October 1, 2009, each month the Department shall
20 pay into the Capital Projects Fund an amount that is equal to
21 an amount estimated by the Department to represent 80% of the
22 net revenue realized for the preceding month from the sale of
23 candy, grooming and hygiene products, and soft drinks that had
24 been taxed at a rate of 1% prior to September 1, 2009 but that
25 are now taxed at 6.25%.

26 Beginning July 1, 2013, each month the Department shall pay

1 into the Underground Storage Tank Fund from the proceeds
2 collected under this Act, the Use Tax Act, the Service Use Tax
3 Act, and the Retailers' Occupation Tax Act an amount equal to
4 the average monthly deficit in the Underground Storage Tank
5 Fund during the prior year, as certified annually by the
6 Illinois Environmental Protection Agency, but the total
7 payment into the Underground Storage Tank Fund under this Act,
8 the Use Tax Act, the Service Use Tax Act, and the Retailers'
9 Occupation Tax Act shall not exceed \$18,000,000 in any State
10 fiscal year. As used in this paragraph, the "average monthly
11 deficit" shall be equal to the difference between the average
12 monthly claims for payment by the fund and the average monthly
13 revenues deposited into the fund, excluding payments made
14 pursuant to this paragraph.

15 Beginning July 1, 2015, of the remainder of the moneys
16 received by the Department under the Use Tax Act, the Service
17 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
18 each month the Department shall deposit \$500,000 into the State
19 Crime Laboratory Fund.

20 Of the remainder of the moneys received by the Department
21 pursuant to this Act, (a) 1.75% thereof shall be paid into the
22 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
23 and after July 1, 1989, 3.8% thereof shall be paid into the
24 Build Illinois Fund; provided, however, that if in any fiscal
25 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
26 may be, of the moneys received by the Department and required

1 to be paid into the Build Illinois Fund pursuant to Section 3
2 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
3 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
4 Service Occupation Tax Act, such Acts being hereinafter called
5 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
6 may be, of moneys being hereinafter called the "Tax Act
7 Amount", and (2) the amount transferred to the Build Illinois
8 Fund from the State and Local Sales Tax Reform Fund shall be
9 less than the Annual Specified Amount (as defined in Section 3
10 of the Retailers' Occupation Tax Act), an amount equal to the
11 difference shall be immediately paid into the Build Illinois
12 Fund from other moneys received by the Department pursuant to
13 the Tax Acts; and further provided, that if on the last
14 business day of any month the sum of (1) the Tax Act Amount
15 required to be deposited into the Build Illinois Account in the
16 Build Illinois Fund during such month and (2) the amount
17 transferred during such month to the Build Illinois Fund from
18 the State and Local Sales Tax Reform Fund shall have been less
19 than 1/12 of the Annual Specified Amount, an amount equal to
20 the difference shall be immediately paid into the Build
21 Illinois Fund from other moneys received by the Department
22 pursuant to the Tax Acts; and, further provided, that in no
23 event shall the payments required under the preceding proviso
24 result in aggregate payments into the Build Illinois Fund
25 pursuant to this clause (b) for any fiscal year in excess of
26 the greater of (i) the Tax Act Amount or (ii) the Annual

1 Specified Amount for such fiscal year; and, further provided,
2 that the amounts payable into the Build Illinois Fund under
3 this clause (b) shall be payable only until such time as the
4 aggregate amount on deposit under each trust indenture securing
5 Bonds issued and outstanding pursuant to the Build Illinois
6 Bond Act is sufficient, taking into account any future
7 investment income, to fully provide, in accordance with such
8 indenture, for the defeasance of or the payment of the
9 principal of, premium, if any, and interest on the Bonds
10 secured by such indenture and on any Bonds expected to be
11 issued thereafter and all fees and costs payable with respect
12 thereto, all as certified by the Director of the Bureau of the
13 Budget (now Governor's Office of Management and Budget). If on
14 the last business day of any month in which Bonds are
15 outstanding pursuant to the Build Illinois Bond Act, the
16 aggregate of the moneys deposited in the Build Illinois Bond
17 Account in the Build Illinois Fund in such month shall be less
18 than the amount required to be transferred in such month from
19 the Build Illinois Bond Account to the Build Illinois Bond
20 Retirement and Interest Fund pursuant to Section 13 of the
21 Build Illinois Bond Act, an amount equal to such deficiency
22 shall be immediately paid from other moneys received by the
23 Department pursuant to the Tax Acts to the Build Illinois Fund;
24 provided, however, that any amounts paid to the Build Illinois
25 Fund in any fiscal year pursuant to this sentence shall be
26 deemed to constitute payments pursuant to clause (b) of the

1 preceding sentence and shall reduce the amount otherwise
2 payable for such fiscal year pursuant to clause (b) of the
3 preceding sentence. The moneys received by the Department
4 pursuant to this Act and required to be deposited into the
5 Build Illinois Fund are subject to the pledge, claim and charge
6 set forth in Section 12 of the Build Illinois Bond Act.

7 Subject to payment of amounts into the Build Illinois Fund
8 as provided in the preceding paragraph or in any amendment
9 thereto hereafter enacted, the following specified monthly
10 installment of the amount requested in the certificate of the
11 Chairman of the Metropolitan Pier and Exposition Authority
12 provided under Section 8.25f of the State Finance Act, but not
13 in excess of the sums designated as "Total Deposit", shall be
14 deposited in the aggregate from collections under Section 9 of
15 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
16 9 of the Service Occupation Tax Act, and Section 3 of the
17 Retailers' Occupation Tax Act into the McCormick Place
18 Expansion Project Fund in the specified fiscal years.

		Total
	Fiscal Year	Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000

1	1999	71,000,000
2	2000	75,000,000
3	2001	80,000,000
4	2002	93,000,000
5	2003	99,000,000
6	2004	103,000,000
7	2005	108,000,000
8	2006	113,000,000
9	2007	119,000,000
10	2008	126,000,000
11	2009	132,000,000
12	2010	139,000,000
13	2011	146,000,000
14	2012	153,000,000
15	2013	161,000,000
16	2014	170,000,000
17	2015	179,000,000
18	2016	189,000,000
19	2017	199,000,000
20	2018	210,000,000
21	2019	221,000,000
22	2020	233,000,000
23	2021	246,000,000
24	2022	260,000,000
25	2023	275,000,000
26	2024	275,000,000

1	2025	275,000,000
2	2026	279,000,000
3	2027	292,000,000
4	2028	307,000,000
5	2029	322,000,000
6	2030	338,000,000
7	2031	350,000,000
8	2032	350,000,000
9	and	

10 each fiscal year
11 thereafter that bonds
12 are outstanding under
13 Section 13.2 of the
14 Metropolitan Pier and
15 Exposition Authority Act,
16 but not after fiscal year 2060.

17 Beginning July 20, 1993 and in each month of each fiscal
18 year thereafter, one-eighth of the amount requested in the
19 certificate of the Chairman of the Metropolitan Pier and
20 Exposition Authority for that fiscal year, less the amount
21 deposited into the McCormick Place Expansion Project Fund by
22 the State Treasurer in the respective month under subsection
23 (g) of Section 13 of the Metropolitan Pier and Exposition
24 Authority Act, plus cumulative deficiencies in the deposits
25 required under this Section for previous months and years,
26 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total Deposit",
3 has been deposited.

4 Subject to payment of amounts into the Build Illinois Fund
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, beginning July 1, 1993 and ending on September 30,
8 2013, the Department shall each month pay into the Illinois Tax
9 Increment Fund 0.27% of 80% of the net revenue realized for the
10 preceding month from the 6.25% general rate on the selling
11 price of tangible personal property.

12 Subject to payment of amounts into the Build Illinois Fund
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, beginning with the receipt of the first report of
16 taxes paid by an eligible business and continuing for a 25-year
17 period, the Department shall each month pay into the Energy
18 Infrastructure Fund 80% of the net revenue realized from the
19 6.25% general rate on the selling price of Illinois-mined coal
20 that was sold to an eligible business. For purposes of this
21 paragraph, the term "eligible business" means a new electric
22 generating facility certified pursuant to Section 605-332 of
23 the Department of Commerce and Economic Opportunity Law of the
24 Civil Administrative Code of Illinois.

25 Subject to payment of amounts into the Build Illinois Fund,
26 the McCormick Place Expansion Project Fund, the Illinois Tax

1 Increment Fund, and the Energy Infrastructure Fund pursuant to
2 the preceding paragraphs or in any amendments to this Section
3 hereafter enacted, beginning on the first day of the first
4 calendar month to occur on or after August 26, 2014 (the
5 effective date of Public Act 98-1098), each month, from the
6 collections made under Section 9 of the Use Tax Act, Section 9
7 of the Service Use Tax Act, Section 9 of the Service Occupation
8 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
9 the Department shall pay into the Tax Compliance and
10 Administration Fund, to be used, subject to appropriation, to
11 fund additional auditors and compliance personnel at the
12 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
13 the cash receipts collected during the preceding fiscal year by
14 the Audit Bureau of the Department under the Use Tax Act, the
15 Service Use Tax Act, the Service Occupation Tax Act, the
16 Retailers' Occupation Tax Act, and associated local occupation
17 and use taxes administered by the Department.

18 Subject to payments of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, the Illinois
20 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
21 Compliance and Administration Fund as provided in this Section,
22 beginning on July 1, 2018 the Department shall pay each month
23 into the Downstate Public Transportation Fund the moneys
24 required to be so paid under Section 2-3 of the Downstate
25 Public Transportation Act.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, 75% shall be paid into the General
2 Revenue Fund of the State Treasury and 25% shall be reserved in
3 a special account and used only for the transfer to the Common
4 School Fund as part of the monthly transfer from the General
5 Revenue Fund in accordance with Section 8a of the State Finance
6 Act.

7 The Department may, upon separate written notice to a
8 taxpayer, require the taxpayer to prepare and file with the
9 Department on a form prescribed by the Department within not
10 less than 60 days after receipt of the notice an annual
11 information return for the tax year specified in the notice.
12 Such annual return to the Department shall include a statement
13 of gross receipts as shown by the taxpayer's last Federal
14 income tax return. If the total receipts of the business as
15 reported in the Federal income tax return do not agree with the
16 gross receipts reported to the Department of Revenue for the
17 same period, the taxpayer shall attach to his annual return a
18 schedule showing a reconciliation of the 2 amounts and the
19 reasons for the difference. The taxpayer's annual return to the
20 Department shall also disclose the cost of goods sold by the
21 taxpayer during the year covered by such return, opening and
22 closing inventories of such goods for such year, cost of goods
23 used from stock or taken from stock and given away by the
24 taxpayer during such year, pay roll information of the
25 taxpayer's business during such year and any additional
26 reasonable information which the Department deems would be

1 helpful in determining the accuracy of the monthly, quarterly
2 or annual returns filed by such taxpayer as hereinbefore
3 provided for in this Section.

4 If the annual information return required by this Section
5 is not filed when and as required, the taxpayer shall be liable
6 as follows:

7 (i) Until January 1, 1994, the taxpayer shall be liable
8 for a penalty equal to 1/6 of 1% of the tax due from such
9 taxpayer under this Act during the period to be covered by
10 the annual return for each month or fraction of a month
11 until such return is filed as required, the penalty to be
12 assessed and collected in the same manner as any other
13 penalty provided for in this Act.

14 (ii) On and after January 1, 1994, the taxpayer shall
15 be liable for a penalty as described in Section 3-4 of the
16 Uniform Penalty and Interest Act.

17 The chief executive officer, proprietor, owner or highest
18 ranking manager shall sign the annual return to certify the
19 accuracy of the information contained therein. Any person who
20 willfully signs the annual return containing false or
21 inaccurate information shall be guilty of perjury and punished
22 accordingly. The annual return form prescribed by the
23 Department shall include a warning that the person signing the
24 return may be liable for perjury.

25 The foregoing portion of this Section concerning the filing
26 of an annual information return shall not apply to a serviceman

1 who is not required to file an income tax return with the
2 United States Government.

3 As soon as possible after the first day of each month, upon
4 certification of the Department of Revenue, the Comptroller
5 shall order transferred and the Treasurer shall transfer from
6 the General Revenue Fund to the Motor Fuel Tax Fund an amount
7 equal to 1.7% of 80% of the net revenue realized under this Act
8 for the second preceding month. Beginning April 1, 2000, this
9 transfer is no longer required and shall not be made.

10 Net revenue realized for a month shall be the revenue
11 collected by the State pursuant to this Act, less the amount
12 paid out during that month as refunds to taxpayers for
13 overpayment of liability.

14 For greater simplicity of administration, it shall be
15 permissible for manufacturers, importers and wholesalers whose
16 products are sold by numerous servicemen in Illinois, and who
17 wish to do so, to assume the responsibility for accounting and
18 paying to the Department all tax accruing under this Act with
19 respect to such sales, if the servicemen who are affected do
20 not make written objection to the Department to this
21 arrangement.

22 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
23 100-303, eff. 8-24-17; 100-363, eff. 7-1-18; 100-863, eff.
24 8-14-18; 100-1171, eff. 1-4-19.)

25 Section 900-19. The Retailers' Occupation Tax Act is

1 amended by changing Section 3 as follows:

2 (35 ILCS 120/3) (from Ch. 120, par. 442)

3 Sec. 3. Except as provided in this Section, on or before
4 the twentieth day of each calendar month, every person engaged
5 in the business of selling tangible personal property at retail
6 in this State during the preceding calendar month shall file a
7 return with the Department, stating:

8 1. The name of the seller;

9 2. His residence address and the address of his
10 principal place of business and the address of the
11 principal place of business (if that is a different
12 address) from which he engages in the business of selling
13 tangible personal property at retail in this State;

14 3. Total amount of receipts received by him during the
15 preceding calendar month or quarter, as the case may be,
16 from sales of tangible personal property, and from services
17 furnished, by him during such preceding calendar month or
18 quarter;

19 4. Total amount received by him during the preceding
20 calendar month or quarter on charge and time sales of
21 tangible personal property, and from services furnished,
22 by him prior to the month or quarter for which the return
23 is filed;

24 5. Deductions allowed by law;

25 6. Gross receipts which were received by him during the

1 preceding calendar month or quarter and upon the basis of
2 which the tax is imposed;

3 7. The amount of credit provided in Section 2d of this
4 Act;

5 8. The amount of tax due;

6 9. The signature of the taxpayer; and

7 10. Such other reasonable information as the
8 Department may require.

9 On and after January 1, 2018, except for returns for motor
10 vehicles, watercraft, aircraft, and trailers that are required
11 to be registered with an agency of this State, with respect to
12 retailers whose annual gross receipts average \$20,000 or more,
13 all returns required to be filed pursuant to this Act shall be
14 filed electronically. Retailers who demonstrate that they do
15 not have access to the Internet or demonstrate hardship in
16 filing electronically may petition the Department to waive the
17 electronic filing requirement.

18 If a taxpayer fails to sign a return within 30 days after
19 the proper notice and demand for signature by the Department,
20 the return shall be considered valid and any amount shown to be
21 due on the return shall be deemed assessed.

22 Each return shall be accompanied by the statement of
23 prepaid tax issued pursuant to Section 2e for which credit is
24 claimed.

25 Prior to October 1, 2003, and on and after September 1,
26 2004 a retailer may accept a Manufacturer's Purchase Credit

1 certification from a purchaser in satisfaction of Use Tax as
2 provided in Section 3-85 of the Use Tax Act if the purchaser
3 provides the appropriate documentation as required by Section
4 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
5 certification, accepted by a retailer prior to October 1, 2003
6 and on and after September 1, 2004 as provided in Section 3-85
7 of the Use Tax Act, may be used by that retailer to satisfy
8 Retailers' Occupation Tax liability in the amount claimed in
9 the certification, not to exceed 6.25% of the receipts subject
10 to tax from a qualifying purchase. A Manufacturer's Purchase
11 Credit reported on any original or amended return filed under
12 this Act after October 20, 2003 for reporting periods prior to
13 September 1, 2004 shall be disallowed. Manufacturer's
14 Purchaser Credit reported on annual returns due on or after
15 January 1, 2005 will be disallowed for periods prior to
16 September 1, 2004. No Manufacturer's Purchase Credit may be
17 used after September 30, 2003 through August 31, 2004 to
18 satisfy any tax liability imposed under this Act, including any
19 audit liability.

20 The Department may require returns to be filed on a
21 quarterly basis. If so required, a return for each calendar
22 quarter shall be filed on or before the twentieth day of the
23 calendar month following the end of such calendar quarter. The
24 taxpayer shall also file a return with the Department for each
25 of the first two months of each calendar quarter, on or before
26 the twentieth day of the following calendar month, stating:

1 1. The name of the seller;

2 2. The address of the principal place of business from
3 which he engages in the business of selling tangible
4 personal property at retail in this State;

5 3. The total amount of taxable receipts received by him
6 during the preceding calendar month from sales of tangible
7 personal property by him during such preceding calendar
8 month, including receipts from charge and time sales, but
9 less all deductions allowed by law;

10 4. The amount of credit provided in Section 2d of this
11 Act;

12 5. The amount of tax due; and

13 6. Such other reasonable information as the Department
14 may require.

15 Beginning on October 1, 2003, any person who is not a
16 licensed distributor, importing distributor, or manufacturer,
17 as defined in the Liquor Control Act of 1934, but is engaged in
18 the business of selling, at retail, alcoholic liquor shall file
19 a statement with the Department of Revenue, in a format and at
20 a time prescribed by the Department, showing the total amount
21 paid for alcoholic liquor purchased during the preceding month
22 and such other information as is reasonably required by the
23 Department. The Department may adopt rules to require that this
24 statement be filed in an electronic or telephonic format. Such
25 rules may provide for exceptions from the filing requirements
26 of this paragraph. For the purposes of this paragraph, the term

1 "alcoholic liquor" shall have the meaning prescribed in the
2 Liquor Control Act of 1934.

3 Beginning on October 1, 2003, every distributor, importing
4 distributor, and manufacturer of alcoholic liquor as defined in
5 the Liquor Control Act of 1934, shall file a statement with the
6 Department of Revenue, no later than the 10th day of the month
7 for the preceding month during which transactions occurred, by
8 electronic means, showing the total amount of gross receipts
9 from the sale of alcoholic liquor sold or distributed during
10 the preceding month to purchasers; identifying the purchaser to
11 whom it was sold or distributed; the purchaser's tax
12 registration number; and such other information reasonably
13 required by the Department. A distributor, importing
14 distributor, or manufacturer of alcoholic liquor must
15 personally deliver, mail, or provide by electronic means to
16 each retailer listed on the monthly statement a report
17 containing a cumulative total of that distributor's, importing
18 distributor's, or manufacturer's total sales of alcoholic
19 liquor to that retailer no later than the 10th day of the month
20 for the preceding month during which the transaction occurred.
21 The distributor, importing distributor, or manufacturer shall
22 notify the retailer as to the method by which the distributor,
23 importing distributor, or manufacturer will provide the sales
24 information. If the retailer is unable to receive the sales
25 information by electronic means, the distributor, importing
26 distributor, or manufacturer shall furnish the sales

1 information by personal delivery or by mail. For purposes of
2 this paragraph, the term "electronic means" includes, but is
3 not limited to, the use of a secure Internet website, e-mail,
4 or facsimile.

5 If a total amount of less than \$1 is payable, refundable or
6 creditable, such amount shall be disregarded if it is less than
7 50 cents and shall be increased to \$1 if it is 50 cents or more.

8 Notwithstanding any other provision of this Act to the
9 contrary, retailers subject to tax on cannabis shall file all
10 cannabis tax returns and shall make all cannabis tax payments
11 by electronic means in the manner and form required by the
12 Department.

13 Beginning October 1, 1993, a taxpayer who has an average
14 monthly tax liability of \$150,000 or more shall make all
15 payments required by rules of the Department by electronic
16 funds transfer. Beginning October 1, 1994, a taxpayer who has
17 an average monthly tax liability of \$100,000 or more shall make
18 all payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1995, a taxpayer who has
20 an average monthly tax liability of \$50,000 or more shall make
21 all payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 2000, a taxpayer who has
23 an annual tax liability of \$200,000 or more shall make all
24 payments required by rules of the Department by electronic
25 funds transfer. The term "annual tax liability" shall be the
26 sum of the taxpayer's liabilities under this Act, and under all

1 other State and local occupation and use tax laws administered
2 by the Department, for the immediately preceding calendar year.
3 The term "average monthly tax liability" shall be the sum of
4 the taxpayer's liabilities under this Act, and under all other
5 State and local occupation and use tax laws administered by the
6 Department, for the immediately preceding calendar year
7 divided by 12. Beginning on October 1, 2002, a taxpayer who has
8 a tax liability in the amount set forth in subsection (b) of
9 Section 2505-210 of the Department of Revenue Law shall make
10 all payments required by rules of the Department by electronic
11 funds transfer.

12 Before August 1 of each year beginning in 1993, the
13 Department shall notify all taxpayers required to make payments
14 by electronic funds transfer. All taxpayers required to make
15 payments by electronic funds transfer shall make those payments
16 for a minimum of one year beginning on October 1.

17 Any taxpayer not required to make payments by electronic
18 funds transfer may make payments by electronic funds transfer
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic funds
21 transfer and any taxpayers authorized to voluntarily make
22 payments by electronic funds transfer shall make those payments
23 in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to
25 effectuate a program of electronic funds transfer and the
26 requirements of this Section.

1 Any amount which is required to be shown or reported on any
2 return or other document under this Act shall, if such amount
3 is not a whole-dollar amount, be increased to the nearest
4 whole-dollar amount in any case where the fractional part of a
5 dollar is 50 cents or more, and decreased to the nearest
6 whole-dollar amount where the fractional part of a dollar is
7 less than 50 cents.

8 If the retailer is otherwise required to file a monthly
9 return and if the retailer's average monthly tax liability to
10 the Department does not exceed \$200, the Department may
11 authorize his returns to be filed on a quarter annual basis,
12 with the return for January, February and March of a given year
13 being due by April 20 of such year; with the return for April,
14 May and June of a given year being due by July 20 of such year;
15 with the return for July, August and September of a given year
16 being due by October 20 of such year, and with the return for
17 October, November and December of a given year being due by
18 January 20 of the following year.

19 If the retailer is otherwise required to file a monthly or
20 quarterly return and if the retailer's average monthly tax
21 liability with the Department does not exceed \$50, the
22 Department may authorize his returns to be filed on an annual
23 basis, with the return for a given year being due by January 20
24 of the following year.

25 Such quarter annual and annual returns, as to form and
26 substance, shall be subject to the same requirements as monthly

1 returns.

2 Notwithstanding any other provision in this Act concerning
3 the time within which a retailer may file his return, in the
4 case of any retailer who ceases to engage in a kind of business
5 which makes him responsible for filing returns under this Act,
6 such retailer shall file a final return under this Act with the
7 Department not more than one month after discontinuing such
8 business.

9 Where the same person has more than one business registered
10 with the Department under separate registrations under this
11 Act, such person may not file each return that is due as a
12 single return covering all such registered businesses, but
13 shall file separate returns for each such registered business.

14 In addition, with respect to motor vehicles, watercraft,
15 aircraft, and trailers that are required to be registered with
16 an agency of this State, except as otherwise provided in this
17 Section, every retailer selling this kind of tangible personal
18 property shall file, with the Department, upon a form to be
19 prescribed and supplied by the Department, a separate return
20 for each such item of tangible personal property which the
21 retailer sells, except that if, in the same transaction, (i) a
22 retailer of aircraft, watercraft, motor vehicles or trailers
23 transfers more than one aircraft, watercraft, motor vehicle or
24 trailer to another aircraft, watercraft, motor vehicle
25 retailer or trailer retailer for the purpose of resale or (ii)
26 a retailer of aircraft, watercraft, motor vehicles, or trailers

1 transfers more than one aircraft, watercraft, motor vehicle, or
2 trailer to a purchaser for use as a qualifying rolling stock as
3 provided in Section 2-5 of this Act, then that seller may
4 report the transfer of all aircraft, watercraft, motor vehicles
5 or trailers involved in that transaction to the Department on
6 the same uniform invoice-transaction reporting return form.
7 For purposes of this Section, "watercraft" means a Class 2,
8 Class 3, or Class 4 watercraft as defined in Section 3-2 of the
9 Boat Registration and Safety Act, a personal watercraft, or any
10 boat equipped with an inboard motor.

11 In addition, with respect to motor vehicles, watercraft,
12 aircraft, and trailers that are required to be registered with
13 an agency of this State, every person who is engaged in the
14 business of leasing or renting such items and who, in
15 connection with such business, sells any such item to a
16 retailer for the purpose of resale is, notwithstanding any
17 other provision of this Section to the contrary, authorized to
18 meet the return-filing requirement of this Act by reporting the
19 transfer of all the aircraft, watercraft, motor vehicles, or
20 trailers transferred for resale during a month to the
21 Department on the same uniform invoice-transaction reporting
22 return form on or before the 20th of the month following the
23 month in which the transfer takes place. Notwithstanding any
24 other provision of this Act to the contrary, all returns filed
25 under this paragraph must be filed by electronic means in the
26 manner and form as required by the Department.

1 Any retailer who sells only motor vehicles, watercraft,
2 aircraft, or trailers that are required to be registered with
3 an agency of this State, so that all retailers' occupation tax
4 liability is required to be reported, and is reported, on such
5 transaction reporting returns and who is not otherwise required
6 to file monthly or quarterly returns, need not file monthly or
7 quarterly returns. However, those retailers shall be required
8 to file returns on an annual basis.

9 The transaction reporting return, in the case of motor
10 vehicles or trailers that are required to be registered with an
11 agency of this State, shall be the same document as the Uniform
12 Invoice referred to in Section 5-402 of the Illinois Vehicle
13 Code and must show the name and address of the seller; the name
14 and address of the purchaser; the amount of the selling price
15 including the amount allowed by the retailer for traded-in
16 property, if any; the amount allowed by the retailer for the
17 traded-in tangible personal property, if any, to the extent to
18 which Section 1 of this Act allows an exemption for the value
19 of traded-in property; the balance payable after deducting such
20 trade-in allowance from the total selling price; the amount of
21 tax due from the retailer with respect to such transaction; the
22 amount of tax collected from the purchaser by the retailer on
23 such transaction (or satisfactory evidence that such tax is not
24 due in that particular instance, if that is claimed to be the
25 fact); the place and date of the sale; a sufficient
26 identification of the property sold; such other information as

1 is required in Section 5-402 of the Illinois Vehicle Code, and
2 such other information as the Department may reasonably
3 require.

4 The transaction reporting return in the case of watercraft
5 or aircraft must show the name and address of the seller; the
6 name and address of the purchaser; the amount of the selling
7 price including the amount allowed by the retailer for
8 traded-in property, if any; the amount allowed by the retailer
9 for the traded-in tangible personal property, if any, to the
10 extent to which Section 1 of this Act allows an exemption for
11 the value of traded-in property; the balance payable after
12 deducting such trade-in allowance from the total selling price;
13 the amount of tax due from the retailer with respect to such
14 transaction; the amount of tax collected from the purchaser by
15 the retailer on such transaction (or satisfactory evidence that
16 such tax is not due in that particular instance, if that is
17 claimed to be the fact); the place and date of the sale, a
18 sufficient identification of the property sold, and such other
19 information as the Department may reasonably require.

20 Such transaction reporting return shall be filed not later
21 than 20 days after the day of delivery of the item that is
22 being sold, but may be filed by the retailer at any time sooner
23 than that if he chooses to do so. The transaction reporting
24 return and tax remittance or proof of exemption from the
25 Illinois use tax may be transmitted to the Department by way of
26 the State agency with which, or State officer with whom the

1 tangible personal property must be titled or registered (if
2 titling or registration is required) if the Department and such
3 agency or State officer determine that this procedure will
4 expedite the processing of applications for title or
5 registration.

6 With each such transaction reporting return, the retailer
7 shall remit the proper amount of tax due (or shall submit
8 satisfactory evidence that the sale is not taxable if that is
9 the case), to the Department or its agents, whereupon the
10 Department shall issue, in the purchaser's name, a use tax
11 receipt (or a certificate of exemption if the Department is
12 satisfied that the particular sale is tax exempt) which such
13 purchaser may submit to the agency with which, or State officer
14 with whom, he must title or register the tangible personal
15 property that is involved (if titling or registration is
16 required) in support of such purchaser's application for an
17 Illinois certificate or other evidence of title or registration
18 to such tangible personal property.

19 No retailer's failure or refusal to remit tax under this
20 Act precludes a user, who has paid the proper tax to the
21 retailer, from obtaining his certificate of title or other
22 evidence of title or registration (if titling or registration
23 is required) upon satisfying the Department that such user has
24 paid the proper tax (if tax is due) to the retailer. The
25 Department shall adopt appropriate rules to carry out the
26 mandate of this paragraph.

1 If the user who would otherwise pay tax to the retailer
2 wants the transaction reporting return filed and the payment of
3 the tax or proof of exemption made to the Department before the
4 retailer is willing to take these actions and such user has not
5 paid the tax to the retailer, such user may certify to the fact
6 of such delay by the retailer and may (upon the Department
7 being satisfied of the truth of such certification) transmit
8 the information required by the transaction reporting return
9 and the remittance for tax or proof of exemption directly to
10 the Department and obtain his tax receipt or exemption
11 determination, in which event the transaction reporting return
12 and tax remittance (if a tax payment was required) shall be
13 credited by the Department to the proper retailer's account
14 with the Department, but without the 2.1% or 1.75% discount
15 provided for in this Section being allowed. When the user pays
16 the tax directly to the Department, he shall pay the tax in the
17 same amount and in the same form in which it would be remitted
18 if the tax had been remitted to the Department by the retailer.

19 Refunds made by the seller during the preceding return
20 period to purchasers, on account of tangible personal property
21 returned to the seller, shall be allowed as a deduction under
22 subdivision 5 of his monthly or quarterly return, as the case
23 may be, in case the seller had theretofore included the
24 receipts from the sale of such tangible personal property in a
25 return filed by him and had paid the tax imposed by this Act
26 with respect to such receipts.

1 Where the seller is a corporation, the return filed on
2 behalf of such corporation shall be signed by the president,
3 vice-president, secretary or treasurer or by the properly
4 accredited agent of such corporation.

5 Where the seller is a limited liability company, the return
6 filed on behalf of the limited liability company shall be
7 signed by a manager, member, or properly accredited agent of
8 the limited liability company.

9 Except as provided in this Section, the retailer filing the
10 return under this Section shall, at the time of filing such
11 return, pay to the Department the amount of tax imposed by this
12 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
13 on and after January 1, 1990, or \$5 per calendar year,
14 whichever is greater, which is allowed to reimburse the
15 retailer for the expenses incurred in keeping records,
16 preparing and filing returns, remitting the tax and supplying
17 data to the Department on request. Any prepayment made pursuant
18 to Section 2d of this Act shall be included in the amount on
19 which such 2.1% or 1.75% discount is computed. In the case of
20 retailers who report and pay the tax on a transaction by
21 transaction basis, as provided in this Section, such discount
22 shall be taken with each such tax remittance instead of when
23 such retailer files his periodic return. The discount allowed
24 under this Section is allowed only for returns that are filed
25 in the manner required by this Act. The Department may disallow
26 the discount for retailers whose certificate of registration is

1 revoked at the time the return is filed, but only if the
2 Department's decision to revoke the certificate of
3 registration has become final.

4 Before October 1, 2000, if the taxpayer's average monthly
5 tax liability to the Department under this Act, the Use Tax
6 Act, the Service Occupation Tax Act, and the Service Use Tax
7 Act, excluding any liability for prepaid sales tax to be
8 remitted in accordance with Section 2d of this Act, was \$10,000
9 or more during the preceding 4 complete calendar quarters, he
10 shall file a return with the Department each month by the 20th
11 day of the month next following the month during which such tax
12 liability is incurred and shall make payments to the Department
13 on or before the 7th, 15th, 22nd and last day of the month
14 during which such liability is incurred. On and after October
15 1, 2000, if the taxpayer's average monthly tax liability to the
16 Department under this Act, the Use Tax Act, the Service
17 Occupation Tax Act, and the Service Use Tax Act, excluding any
18 liability for prepaid sales tax to be remitted in accordance
19 with Section 2d of this Act, was \$20,000 or more during the
20 preceding 4 complete calendar quarters, he shall file a return
21 with the Department each month by the 20th day of the month
22 next following the month during which such tax liability is
23 incurred and shall make payment to the Department on or before
24 the 7th, 15th, 22nd and last day of the month during which such
25 liability is incurred. If the month during which such tax
26 liability is incurred began prior to January 1, 1985, each

1 payment shall be in an amount equal to 1/4 of the taxpayer's
2 actual liability for the month or an amount set by the
3 Department not to exceed 1/4 of the average monthly liability
4 of the taxpayer to the Department for the preceding 4 complete
5 calendar quarters (excluding the month of highest liability and
6 the month of lowest liability in such 4 quarter period). If the
7 month during which such tax liability is incurred begins on or
8 after January 1, 1985 and prior to January 1, 1987, each
9 payment shall be in an amount equal to 22.5% of the taxpayer's
10 actual liability for the month or 27.5% of the taxpayer's
11 liability for the same calendar month of the preceding year. If
12 the month during which such tax liability is incurred begins on
13 or after January 1, 1987 and prior to January 1, 1988, each
14 payment shall be in an amount equal to 22.5% of the taxpayer's
15 actual liability for the month or 26.25% of the taxpayer's
16 liability for the same calendar month of the preceding year. If
17 the month during which such tax liability is incurred begins on
18 or after January 1, 1988, and prior to January 1, 1989, or
19 begins on or after January 1, 1996, each payment shall be in an
20 amount equal to 22.5% of the taxpayer's actual liability for
21 the month or 25% of the taxpayer's liability for the same
22 calendar month of the preceding year. If the month during which
23 such tax liability is incurred begins on or after January 1,
24 1989, and prior to January 1, 1996, each payment shall be in an
25 amount equal to 22.5% of the taxpayer's actual liability for
26 the month or 25% of the taxpayer's liability for the same

1 calendar month of the preceding year or 100% of the taxpayer's
2 actual liability for the quarter monthly reporting period. The
3 amount of such quarter monthly payments shall be credited
4 against the final tax liability of the taxpayer's return for
5 that month. Before October 1, 2000, once applicable, the
6 requirement of the making of quarter monthly payments to the
7 Department by taxpayers having an average monthly tax liability
8 of \$10,000 or more as determined in the manner provided above
9 shall continue until such taxpayer's average monthly liability
10 to the Department during the preceding 4 complete calendar
11 quarters (excluding the month of highest liability and the
12 month of lowest liability) is less than \$9,000, or until such
13 taxpayer's average monthly liability to the Department as
14 computed for each calendar quarter of the 4 preceding complete
15 calendar quarter period is less than \$10,000. However, if a
16 taxpayer can show the Department that a substantial change in
17 the taxpayer's business has occurred which causes the taxpayer
18 to anticipate that his average monthly tax liability for the
19 reasonably foreseeable future will fall below the \$10,000
20 threshold stated above, then such taxpayer may petition the
21 Department for a change in such taxpayer's reporting status. On
22 and after October 1, 2000, once applicable, the requirement of
23 the making of quarter monthly payments to the Department by
24 taxpayers having an average monthly tax liability of \$20,000 or
25 more as determined in the manner provided above shall continue
26 until such taxpayer's average monthly liability to the

1 Department during the preceding 4 complete calendar quarters
2 (excluding the month of highest liability and the month of
3 lowest liability) is less than \$19,000 or until such taxpayer's
4 average monthly liability to the Department as computed for
5 each calendar quarter of the 4 preceding complete calendar
6 quarter period is less than \$20,000. However, if a taxpayer can
7 show the Department that a substantial change in the taxpayer's
8 business has occurred which causes the taxpayer to anticipate
9 that his average monthly tax liability for the reasonably
10 foreseeable future will fall below the \$20,000 threshold stated
11 above, then such taxpayer may petition the Department for a
12 change in such taxpayer's reporting status. The Department
13 shall change such taxpayer's reporting status unless it finds
14 that such change is seasonal in nature and not likely to be
15 long term. If any such quarter monthly payment is not paid at
16 the time or in the amount required by this Section, then the
17 taxpayer shall be liable for penalties and interest on the
18 difference between the minimum amount due as a payment and the
19 amount of such quarter monthly payment actually and timely
20 paid, except insofar as the taxpayer has previously made
21 payments for that month to the Department in excess of the
22 minimum payments previously due as provided in this Section.
23 The Department shall make reasonable rules and regulations to
24 govern the quarter monthly payment amount and quarter monthly
25 payment dates for taxpayers who file on other than a calendar
26 monthly basis.

1 The provisions of this paragraph apply before October 1,
2 2001. Without regard to whether a taxpayer is required to make
3 quarter monthly payments as specified above, any taxpayer who
4 is required by Section 2d of this Act to collect and remit
5 prepaid taxes and has collected prepaid taxes which average in
6 excess of \$25,000 per month during the preceding 2 complete
7 calendar quarters, shall file a return with the Department as
8 required by Section 2f and shall make payments to the
9 Department on or before the 7th, 15th, 22nd and last day of the
10 month during which such liability is incurred. If the month
11 during which such tax liability is incurred began prior to
12 September 1, 1985 (the effective date of Public Act 84-221),
13 each payment shall be in an amount not less than 22.5% of the
14 taxpayer's actual liability under Section 2d. If the month
15 during which such tax liability is incurred begins on or after
16 January 1, 1986, each payment shall be in an amount equal to
17 22.5% of the taxpayer's actual liability for the month or 27.5%
18 of the taxpayer's liability for the same calendar month of the
19 preceding calendar year. If the month during which such tax
20 liability is incurred begins on or after January 1, 1987, each
21 payment shall be in an amount equal to 22.5% of the taxpayer's
22 actual liability for the month or 26.25% of the taxpayer's
23 liability for the same calendar month of the preceding year.
24 The amount of such quarter monthly payments shall be credited
25 against the final tax liability of the taxpayer's return for
26 that month filed under this Section or Section 2f, as the case

1 may be. Once applicable, the requirement of the making of
2 quarter monthly payments to the Department pursuant to this
3 paragraph shall continue until such taxpayer's average monthly
4 prepaid tax collections during the preceding 2 complete
5 calendar quarters is \$25,000 or less. If any such quarter
6 monthly payment is not paid at the time or in the amount
7 required, the taxpayer shall be liable for penalties and
8 interest on such difference, except insofar as the taxpayer has
9 previously made payments for that month in excess of the
10 minimum payments previously due.

11 The provisions of this paragraph apply on and after October
12 1, 2001. Without regard to whether a taxpayer is required to
13 make quarter monthly payments as specified above, any taxpayer
14 who is required by Section 2d of this Act to collect and remit
15 prepaid taxes and has collected prepaid taxes that average in
16 excess of \$20,000 per month during the preceding 4 complete
17 calendar quarters shall file a return with the Department as
18 required by Section 2f and shall make payments to the
19 Department on or before the 7th, 15th, 22nd and last day of the
20 month during which the liability is incurred. Each payment
21 shall be in an amount equal to 22.5% of the taxpayer's actual
22 liability for the month or 25% of the taxpayer's liability for
23 the same calendar month of the preceding year. The amount of
24 the quarter monthly payments shall be credited against the
25 final tax liability of the taxpayer's return for that month
26 filed under this Section or Section 2f, as the case may be.

1 Once applicable, the requirement of the making of quarter
2 monthly payments to the Department pursuant to this paragraph
3 shall continue until the taxpayer's average monthly prepaid tax
4 collections during the preceding 4 complete calendar quarters
5 (excluding the month of highest liability and the month of
6 lowest liability) is less than \$19,000 or until such taxpayer's
7 average monthly liability to the Department as computed for
8 each calendar quarter of the 4 preceding complete calendar
9 quarters is less than \$20,000. If any such quarter monthly
10 payment is not paid at the time or in the amount required, the
11 taxpayer shall be liable for penalties and interest on such
12 difference, except insofar as the taxpayer has previously made
13 payments for that month in excess of the minimum payments
14 previously due.

15 If any payment provided for in this Section exceeds the
16 taxpayer's liabilities under this Act, the Use Tax Act, the
17 Service Occupation Tax Act and the Service Use Tax Act, as
18 shown on an original monthly return, the Department shall, if
19 requested by the taxpayer, issue to the taxpayer a credit
20 memorandum no later than 30 days after the date of payment. The
21 credit evidenced by such credit memorandum may be assigned by
22 the taxpayer to a similar taxpayer under this Act, the Use Tax
23 Act, the Service Occupation Tax Act or the Service Use Tax Act,
24 in accordance with reasonable rules and regulations to be
25 prescribed by the Department. If no such request is made, the
26 taxpayer may credit such excess payment against tax liability

1 subsequently to be remitted to the Department under this Act,
2 the Use Tax Act, the Service Occupation Tax Act or the Service
3 Use Tax Act, in accordance with reasonable rules and
4 regulations prescribed by the Department. If the Department
5 subsequently determined that all or any part of the credit
6 taken was not actually due to the taxpayer, the taxpayer's 2.1%
7 and 1.75% vendor's discount shall be reduced by 2.1% or 1.75%
8 of the difference between the credit taken and that actually
9 due, and that taxpayer shall be liable for penalties and
10 interest on such difference.

11 If a retailer of motor fuel is entitled to a credit under
12 Section 2d of this Act which exceeds the taxpayer's liability
13 to the Department under this Act for the month which the
14 taxpayer is filing a return, the Department shall issue the
15 taxpayer a credit memorandum for the excess.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the Local Government Tax Fund, a special fund in the
18 State treasury which is hereby created, the net revenue
19 realized for the preceding month from the 1% tax imposed under
20 this Act.

21 Beginning January 1, 1990, each month the Department shall
22 pay into the County and Mass Transit District Fund, a special
23 fund in the State treasury which is hereby created, 4% of the
24 net revenue realized for the preceding month from the 6.25%
25 general rate.

26 Beginning August 1, 2000, each month the Department shall

1 pay into the County and Mass Transit District Fund 20% of the
2 net revenue realized for the preceding month from the 1.25%
3 rate on the selling price of motor fuel and gasohol. Beginning
4 September 1, 2010, each month the Department shall pay into the
5 County and Mass Transit District Fund 20% of the net revenue
6 realized for the preceding month from the 1.25% rate on the
7 selling price of sales tax holiday items.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the Local Government Tax Fund 16% of the net revenue
10 realized for the preceding month from the 6.25% general rate on
11 the selling price of tangible personal property.

12 Beginning August 1, 2000, each month the Department shall
13 pay into the Local Government Tax Fund 80% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of motor fuel and gasohol. Beginning September 1,
16 2010, each month the Department shall pay into the Local
17 Government Tax Fund 80% of the net revenue realized for the
18 preceding month from the 1.25% rate on the selling price of
19 sales tax holiday items.

20 Beginning October 1, 2009, each month the Department shall
21 pay into the Capital Projects Fund an amount that is equal to
22 an amount estimated by the Department to represent 80% of the
23 net revenue realized for the preceding month from the sale of
24 candy, grooming and hygiene products, and soft drinks that had
25 been taxed at a rate of 1% prior to September 1, 2009 but that
26 are now taxed at 6.25%.

1 Beginning July 1, 2011, each month the Department shall pay
2 into the Clean Air Act Permit Fund 80% of the net revenue
3 realized for the preceding month from the 6.25% general rate on
4 the selling price of sorbents used in Illinois in the process
5 of sorbent injection as used to comply with the Environmental
6 Protection Act or the federal Clean Air Act, but the total
7 payment into the Clean Air Act Permit Fund under this Act and
8 the Use Tax Act shall not exceed \$2,000,000 in any fiscal year.

9 Beginning July 1, 2013, each month the Department shall pay
10 into the Underground Storage Tank Fund from the proceeds
11 collected under this Act, the Use Tax Act, the Service Use Tax
12 Act, and the Service Occupation Tax Act an amount equal to the
13 average monthly deficit in the Underground Storage Tank Fund
14 during the prior year, as certified annually by the Illinois
15 Environmental Protection Agency, but the total payment into the
16 Underground Storage Tank Fund under this Act, the Use Tax Act,
17 the Service Use Tax Act, and the Service Occupation Tax Act
18 shall not exceed \$18,000,000 in any State fiscal year. As used
19 in this paragraph, the "average monthly deficit" shall be equal
20 to the difference between the average monthly claims for
21 payment by the fund and the average monthly revenues deposited
22 into the fund, excluding payments made pursuant to this
23 paragraph.

24 Beginning July 1, 2015, of the remainder of the moneys
25 received by the Department under the Use Tax Act, the Service
26 Use Tax Act, the Service Occupation Tax Act, and this Act, each

1 month the Department shall deposit \$500,000 into the State
2 Crime Laboratory Fund.

3 Of the remainder of the moneys received by the Department
4 pursuant to this Act, (a) 1.75% thereof shall be paid into the
5 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
6 and after July 1, 1989, 3.8% thereof shall be paid into the
7 Build Illinois Fund; provided, however, that if in any fiscal
8 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
9 may be, of the moneys received by the Department and required
10 to be paid into the Build Illinois Fund pursuant to this Act,
11 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
12 Act, and Section 9 of the Service Occupation Tax Act, such Acts
13 being hereinafter called the "Tax Acts" and such aggregate of
14 2.2% or 3.8%, as the case may be, of moneys being hereinafter
15 called the "Tax Act Amount", and (2) the amount transferred to
16 the Build Illinois Fund from the State and Local Sales Tax
17 Reform Fund shall be less than the Annual Specified Amount (as
18 hereinafter defined), an amount equal to the difference shall
19 be immediately paid into the Build Illinois Fund from other
20 moneys received by the Department pursuant to the Tax Acts; the
21 "Annual Specified Amount" means the amounts specified below for
22 fiscal years 1986 through 1993:

	Fiscal Year	Annual Specified Amount
24	1986	\$54,800,000
25	1987	\$76,650,000
26	1988	\$80,480,000

1	1989	\$88,510,000
2	1990	\$115,330,000
3	1991	\$145,470,000
4	1992	\$182,730,000
5	1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount, whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and

1 outstanding pursuant to the Build Illinois Bond Act is
2 sufficient, taking into account any future investment income,
3 to fully provide, in accordance with such indenture, for the
4 defeasance of or the payment of the principal of, premium, if
5 any, and interest on the Bonds secured by such indenture and on
6 any Bonds expected to be issued thereafter and all fees and
7 costs payable with respect thereto, all as certified by the
8 Director of the Bureau of the Budget (now Governor's Office of
9 Management and Budget). If on the last business day of any
10 month in which Bonds are outstanding pursuant to the Build
11 Illinois Bond Act, the aggregate of moneys deposited in the
12 Build Illinois Bond Account in the Build Illinois Fund in such
13 month shall be less than the amount required to be transferred
14 in such month from the Build Illinois Bond Account to the Build
15 Illinois Bond Retirement and Interest Fund pursuant to Section
16 13 of the Build Illinois Bond Act, an amount equal to such
17 deficiency shall be immediately paid from other moneys received
18 by the Department pursuant to the Tax Acts to the Build
19 Illinois Fund; provided, however, that any amounts paid to the
20 Build Illinois Fund in any fiscal year pursuant to this
21 sentence shall be deemed to constitute payments pursuant to
22 clause (b) of the first sentence of this paragraph and shall
23 reduce the amount otherwise payable for such fiscal year
24 pursuant to that clause (b). The moneys received by the
25 Department pursuant to this Act and required to be deposited
26 into the Build Illinois Fund are subject to the pledge, claim

1 and charge set forth in Section 12 of the Build Illinois Bond
2 Act.

3 Subject to payment of amounts into the Build Illinois Fund
4 as provided in the preceding paragraph or in any amendment
5 thereto hereafter enacted, the following specified monthly
6 installment of the amount requested in the certificate of the
7 Chairman of the Metropolitan Pier and Exposition Authority
8 provided under Section 8.25f of the State Finance Act, but not
9 in excess of sums designated as "Total Deposit", shall be
10 deposited in the aggregate from collections under Section 9 of
11 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
12 9 of the Service Occupation Tax Act, and Section 3 of the
13 Retailers' Occupation Tax Act into the McCormick Place
14 Expansion Project Fund in the specified fiscal years.

15	Total	
	Fiscal Year	Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	246,000,000
20	2022	260,000,000
21	2023	275,000,000
22	2024	275,000,000
23	2025	275,000,000
24	2026	279,000,000
25	2027	292,000,000
26	2028	307,000,000

1	2029	322,000,000
2	2030	338,000,000
3	2031	350,000,000
4	2032	350,000,000

5 and

6 each fiscal year

7 thereafter that bonds

8 are outstanding under

9 Section 13.2 of the

10 Metropolitan Pier and

11 Exposition Authority Act,

12 but not after fiscal year 2060.

13 Beginning July 20, 1993 and in each month of each fiscal
14 year thereafter, one-eighth of the amount requested in the
15 certificate of the Chairman of the Metropolitan Pier and
16 Exposition Authority for that fiscal year, less the amount
17 deposited into the McCormick Place Expansion Project Fund by
18 the State Treasurer in the respective month under subsection
19 (g) of Section 13 of the Metropolitan Pier and Exposition
20 Authority Act, plus cumulative deficiencies in the deposits
21 required under this Section for previous months and years,
22 shall be deposited into the McCormick Place Expansion Project
23 Fund, until the full amount requested for the fiscal year, but
24 not in excess of the amount specified above as "Total Deposit",
25 has been deposited.

26 Subject to payment of amounts into the Build Illinois Fund

1 and the McCormick Place Expansion Project Fund pursuant to the
2 preceding paragraphs or in any amendments thereto hereafter
3 enacted, beginning July 1, 1993 and ending on September 30,
4 2013, the Department shall each month pay into the Illinois Tax
5 Increment Fund 0.27% of 80% of the net revenue realized for the
6 preceding month from the 6.25% general rate on the selling
7 price of tangible personal property.

8 Subject to payment of amounts into the Build Illinois Fund
9 and the McCormick Place Expansion Project Fund pursuant to the
10 preceding paragraphs or in any amendments thereto hereafter
11 enacted, beginning with the receipt of the first report of
12 taxes paid by an eligible business and continuing for a 25-year
13 period, the Department shall each month pay into the Energy
14 Infrastructure Fund 80% of the net revenue realized from the
15 6.25% general rate on the selling price of Illinois-mined coal
16 that was sold to an eligible business. For purposes of this
17 paragraph, the term "eligible business" means a new electric
18 generating facility certified pursuant to Section 605-332 of
19 the Department of Commerce and Economic Opportunity Law of the
20 Civil Administrative Code of Illinois.

21 Subject to payment of amounts into the Build Illinois Fund,
22 the McCormick Place Expansion Project Fund, the Illinois Tax
23 Increment Fund, and the Energy Infrastructure Fund pursuant to
24 the preceding paragraphs or in any amendments to this Section
25 hereafter enacted, beginning on the first day of the first
26 calendar month to occur on or after August 26, 2014 (the

1 effective date of Public Act 98-1098), each month, from the
2 collections made under Section 9 of the Use Tax Act, Section 9
3 of the Service Use Tax Act, Section 9 of the Service Occupation
4 Tax Act, and Section 3 of the Retailers' Occupation Tax Act,
5 the Department shall pay into the Tax Compliance and
6 Administration Fund, to be used, subject to appropriation, to
7 fund additional auditors and compliance personnel at the
8 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
9 the cash receipts collected during the preceding fiscal year by
10 the Audit Bureau of the Department under the Use Tax Act, the
11 Service Use Tax Act, the Service Occupation Tax Act, the
12 Retailers' Occupation Tax Act, and associated local occupation
13 and use taxes administered by the Department.

14 Subject to payments of amounts into the Build Illinois
15 Fund, the McCormick Place Expansion Project Fund, the Illinois
16 Tax Increment Fund, the Energy Infrastructure Fund, and the Tax
17 Compliance and Administration Fund as provided in this Section,
18 beginning on July 1, 2018 the Department shall pay each month
19 into the Downstate Public Transportation Fund the moneys
20 required to be so paid under Section 2-3 of the Downstate
21 Public Transportation Act.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, 75% thereof shall be paid into the State
24 Treasury and 25% shall be reserved in a special account and
25 used only for the transfer to the Common School Fund as part of
26 the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act.

2 The Department may, upon separate written notice to a
3 taxpayer, require the taxpayer to prepare and file with the
4 Department on a form prescribed by the Department within not
5 less than 60 days after receipt of the notice an annual
6 information return for the tax year specified in the notice.
7 Such annual return to the Department shall include a statement
8 of gross receipts as shown by the retailer's last Federal
9 income tax return. If the total receipts of the business as
10 reported in the Federal income tax return do not agree with the
11 gross receipts reported to the Department of Revenue for the
12 same period, the retailer shall attach to his annual return a
13 schedule showing a reconciliation of the 2 amounts and the
14 reasons for the difference. The retailer's annual return to the
15 Department shall also disclose the cost of goods sold by the
16 retailer during the year covered by such return, opening and
17 closing inventories of such goods for such year, costs of goods
18 used from stock or taken from stock and given away by the
19 retailer during such year, payroll information of the
20 retailer's business during such year and any additional
21 reasonable information which the Department deems would be
22 helpful in determining the accuracy of the monthly, quarterly
23 or annual returns filed by such retailer as provided for in
24 this Section.

25 If the annual information return required by this Section
26 is not filed when and as required, the taxpayer shall be liable

1 as follows:

2 (i) Until January 1, 1994, the taxpayer shall be liable
3 for a penalty equal to 1/6 of 1% of the tax due from such
4 taxpayer under this Act during the period to be covered by
5 the annual return for each month or fraction of a month
6 until such return is filed as required, the penalty to be
7 assessed and collected in the same manner as any other
8 penalty provided for in this Act.

9 (ii) On and after January 1, 1994, the taxpayer shall
10 be liable for a penalty as described in Section 3-4 of the
11 Uniform Penalty and Interest Act.

12 The chief executive officer, proprietor, owner or highest
13 ranking manager shall sign the annual return to certify the
14 accuracy of the information contained therein. Any person who
15 willfully signs the annual return containing false or
16 inaccurate information shall be guilty of perjury and punished
17 accordingly. The annual return form prescribed by the
18 Department shall include a warning that the person signing the
19 return may be liable for perjury.

20 The provisions of this Section concerning the filing of an
21 annual information return do not apply to a retailer who is not
22 required to file an income tax return with the United States
23 Government.

24 As soon as possible after the first day of each month, upon
25 certification of the Department of Revenue, the Comptroller
26 shall order transferred and the Treasurer shall transfer from

1 the General Revenue Fund to the Motor Fuel Tax Fund an amount
2 equal to 1.7% of 80% of the net revenue realized under this Act
3 for the second preceding month. Beginning April 1, 2000, this
4 transfer is no longer required and shall not be made.

5 Net revenue realized for a month shall be the revenue
6 collected by the State pursuant to this Act, less the amount
7 paid out during that month as refunds to taxpayers for
8 overpayment of liability.

9 For greater simplicity of administration, manufacturers,
10 importers and wholesalers whose products are sold at retail in
11 Illinois by numerous retailers, and who wish to do so, may
12 assume the responsibility for accounting and paying to the
13 Department all tax accruing under this Act with respect to such
14 sales, if the retailers who are affected do not make written
15 objection to the Department to this arrangement.

16 Any person who promotes, organizes, provides retail
17 selling space for concessionaires or other types of sellers at
18 the Illinois State Fair, DuQuoin State Fair, county fairs,
19 local fairs, art shows, flea markets and similar exhibitions or
20 events, including any transient merchant as defined by Section
21 2 of the Transient Merchant Act of 1987, is required to file a
22 report with the Department providing the name of the merchant's
23 business, the name of the person or persons engaged in
24 merchant's business, the permanent address and Illinois
25 Retailers Occupation Tax Registration Number of the merchant,
26 the dates and location of the event and other reasonable

1 information that the Department may require. The report must be
2 filed not later than the 20th day of the month next following
3 the month during which the event with retail sales was held.
4 Any person who fails to file a report required by this Section
5 commits a business offense and is subject to a fine not to
6 exceed \$250.

7 Any person engaged in the business of selling tangible
8 personal property at retail as a concessionaire or other type
9 of seller at the Illinois State Fair, county fairs, art shows,
10 flea markets and similar exhibitions or events, or any
11 transient merchants, as defined by Section 2 of the Transient
12 Merchant Act of 1987, may be required to make a daily report of
13 the amount of such sales to the Department and to make a daily
14 payment of the full amount of tax due. The Department shall
15 impose this requirement when it finds that there is a
16 significant risk of loss of revenue to the State at such an
17 exhibition or event. Such a finding shall be based on evidence
18 that a substantial number of concessionaires or other sellers
19 who are not residents of Illinois will be engaging in the
20 business of selling tangible personal property at retail at the
21 exhibition or event, or other evidence of a significant risk of
22 loss of revenue to the State. The Department shall notify
23 concessionaires and other sellers affected by the imposition of
24 this requirement. In the absence of notification by the
25 Department, the concessionaires and other sellers shall file
26 their returns as otherwise required in this Section.

1 (Source: P.A. 99-352, eff. 8-12-15; 99-858, eff. 8-19-16;
2 99-933, eff. 1-27-17; 100-303, eff. 8-24-17; 100-363, eff.
3 7-1-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19.)

4 (35 ILCS 520/Act rep.)

5 Section 900-20. The Cannabis and Controlled Substances Tax
6 Act is repealed.

7 Section 900-22. The Illinois Police Training Act is amended
8 by changing Sections 9 and 10.12 as follows:

9 (50 ILCS 705/9) (from Ch. 85, par. 509)

10 (Text of Section before amendment by P.A. 100-987)

11 Sec. 9. A special fund is hereby established in the State
12 Treasury to be known as the Traffic and Criminal Conviction
13 Surcharge Fund and shall be financed as provided in Section 9.1
14 of this Act and Section 5-9-1 of the Unified Code of
15 Corrections, unless the fines, costs, or additional amounts
16 imposed are subject to disbursement by the circuit clerk under
17 Section 27.5 of the Clerks of Courts Act. Moneys in this Fund
18 shall be expended as follows:

19 (1) a portion of the total amount deposited in the Fund
20 may be used, as appropriated by the General Assembly, for
21 the ordinary and contingent expenses of the Illinois Law
22 Enforcement Training Standards Board;

23 (2) a portion of the total amount deposited in the Fund

1 shall be appropriated for the reimbursement of local
2 governmental agencies participating in training programs
3 certified by the Board, in an amount equaling 1/2 of the
4 total sum paid by such agencies during the State's previous
5 fiscal year for mandated training for probationary police
6 officers or probationary county corrections officers and
7 for optional advanced and specialized law enforcement or
8 county corrections training; these reimbursements may
9 include the costs for tuition at training schools, the
10 salaries of trainees while in schools, and the necessary
11 travel and room and board expenses for each trainee; if the
12 appropriations under this paragraph (2) are not sufficient
13 to fully reimburse the participating local governmental
14 agencies, the available funds shall be apportioned among
15 such agencies, with priority first given to repayment of
16 the costs of mandatory training given to law enforcement
17 officer or county corrections officer recruits, then to
18 repayment of costs of advanced or specialized training for
19 permanent police officers or permanent county corrections
20 officers;

21 (3) a portion of the total amount deposited in the Fund
22 may be used to fund the Intergovernmental Law Enforcement
23 Officer's In-Service Training Act, veto overridden October
24 29, 1981, as now or hereafter amended, at a rate and method
25 to be determined by the board;

26 (4) a portion of the Fund also may be used by the

1 Illinois Department of State Police for expenses incurred
2 in the training of employees from any State, county or
3 municipal agency whose function includes enforcement of
4 criminal or traffic law;

5 (5) a portion of the Fund may be used by the Board to
6 fund grant-in-aid programs and services for the training of
7 employees from any county or municipal agency whose
8 functions include corrections or the enforcement of
9 criminal or traffic law;

10 (6) for fiscal years 2013 through 2017 only, a portion
11 of the Fund also may be used by the Department of State
12 Police to finance any of its lawful purposes or functions;
13 and

14 (7) a portion of the Fund may be used by the Board,
15 subject to appropriation, to administer grants to local law
16 enforcement agencies for the purpose of purchasing
17 bulletproof vests under the Law Enforcement Officer
18 Bulletproof Vest Act; and .

19 (8) a portion of the Fund may be used by the Board to
20 create a law enforcement grant program available for units
21 of local government to fund crime prevention programs,
22 training, and interdiction efforts, including enforcement
23 and prevention efforts, relating to the illegal cannabis
24 market and driving under the influence of cannabis.

25 All payments from the Traffic and Criminal Conviction
26 Surcharge Fund shall be made each year from moneys appropriated

for the purposes specified in this Section. No more than 50% of any appropriation under this Act shall be spent in any city having a population of more than 500,000. The State Comptroller and the State Treasurer shall from time to time, at the direction of the Governor, transfer from the Traffic and Criminal Conviction Surcharge Fund to the General Revenue Fund in the State Treasury such amounts as the Governor determines are in excess of the amounts required to meet the obligations of the Traffic and Criminal Conviction Surcharge Fund.

(Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 98-743, eff. 1-1-15; 99-78, eff. 7-20-15; 99-523, eff. 6-30-16.)

(Text of Section after amendment by P.A. 100-987)

Sec. 9. A special fund is hereby established in the State Treasury to be known as the Traffic and Criminal Conviction Surcharge Fund. Moneys in this Fund shall be expended as follows:

(1) a portion of the total amount deposited in the Fund may be used, as appropriated by the General Assembly, for the ordinary and contingent expenses of the Illinois Law Enforcement Training Standards Board;

(2) a portion of the total amount deposited in the Fund shall be appropriated for the reimbursement of local governmental agencies participating in training programs certified by the Board, in an amount equaling 1/2 of the

total sum paid by such agencies during the State's previous fiscal year for mandated training for probationary police officers or probationary county corrections officers and for optional advanced and specialized law enforcement or county corrections training; these reimbursements may include the costs for tuition at training schools, the salaries of trainees while in schools, and the necessary travel and room and board expenses for each trainee; if the appropriations under this paragraph (2) are not sufficient to fully reimburse the participating local governmental agencies, the available funds shall be apportioned among such agencies, with priority first given to repayment of the costs of mandatory training given to law enforcement officer or county corrections officer recruits, then to repayment of costs of advanced or specialized training for permanent police officers or permanent county corrections officers;

(3) a portion of the total amount deposited in the Fund may be used to fund the Intergovernmental Law Enforcement Officer's In-Service Training Act, veto overridden October 29, 1981, as now or hereafter amended, at a rate and method to be determined by the board;

(4) a portion of the Fund also may be used by the Illinois Department of State Police for expenses incurred in the training of employees from any State, county or municipal agency whose function includes enforcement of

criminal or traffic law;

(5) a portion of the Fund may be used by the Board to fund grant-in-aid programs and services for the training of employees from any county or municipal agency whose functions include corrections or the enforcement of criminal or traffic law;

(6) for fiscal years 2013 through 2017 only, a portion of the Fund also may be used by the Department of State Police to finance any of its lawful purposes or functions; and

(7) a portion of the Fund may be used by the Board, subject to appropriation, to administer grants to local law enforcement agencies for the purpose of purchasing bulletproof vests under the Law Enforcement Officer Bulletproof Vest Act; and -

(8) a portion of the Fund may be used by the Board to create a law enforcement grant program available for units of local government to fund crime prevention programs, training, and interdiction efforts, including enforcement and prevention efforts, relating to the illegal cannabis market and driving under the influence of cannabis.

All payments from the Traffic and Criminal Conviction Surcharge Fund shall be made each year from moneys appropriated for the purposes specified in this Section. No more than 50% of any appropriation under this Act shall be spent in any city having a population of more than 500,000. The State Comptroller

1 and the State Treasurer shall from time to time, at the
2 direction of the Governor, transfer from the Traffic and
3 Criminal Conviction Surcharge Fund to the General Revenue Fund
4 in the State Treasury such amounts as the Governor determines
5 are in excess of the amounts required to meet the obligations
6 of the Traffic and Criminal Conviction Surcharge Fund.

7 (Source: P.A. 99-78, eff. 7-20-15; 99-523, eff. 6-30-16;
8 100-987, eff. 7-1-19.)

9 (50 ILCS 705/10.12)

10 Sec. 10.12. Police dog training standards. All Beginning
11 ~~July 1, 2012, all~~ police dogs used by State and local law
12 enforcement agencies for drug enforcement purposes pursuant to
13 the Cannabis Control Act ~~(720 ILCS 550/)~~, the Illinois
14 Controlled Substances Act ~~(720 ILCS 570/)~~, or and the
15 Methamphetamine Control and Community Protection Act ~~(720 ILCS~~
16 ~~646/)~~ shall be trained by programs that meet the minimum
17 certification requirements set by the Board.

18 (Source: P.A. 97-469, eff. 7-1-12.)

19 Section 900-25. The Counties Code is amended by changing
20 Section 5-1009 as follows:

21 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

22 Sec. 5-1009. Limitation on home rule powers. Except as
23 provided in Sections 5-1006, 5-1006.5, 5-1007 and 5-1008, on

1 and after September 1, 1990, no home rule county has the
2 authority to impose, pursuant to its home rule authority, a
3 retailer's occupation tax, service occupation tax, use tax,
4 sales tax or other tax on the use, sale or purchase of tangible
5 personal property based on the gross receipts from such sales
6 or the selling or purchase price of said tangible personal
7 property. Notwithstanding the foregoing, this Section does not
8 preempt any home rule imposed tax such as the following: (1) a
9 tax on alcoholic beverages, whether based on gross receipts,
10 volume sold or any other measurement; (2) a tax based on the
11 number of units of cigarettes or tobacco products; (3) a tax,
12 however measured, based on the use of a hotel or motel room or
13 similar facility; (4) a tax, however measured, on the sale or
14 transfer of real property; (5) a tax, however measured, on
15 lease receipts; (6) a tax on food prepared for immediate
16 consumption and on alcoholic beverages sold by a business which
17 provides for on premise consumption of said food or alcoholic
18 beverages; or (7) other taxes (other than a tax on cannabis in
19 any of its forms, which is prohibited) not based on the selling
20 or purchase price or gross receipts from the use, sale or
21 purchase of tangible personal property. This Section does not
22 preempt a home rule county from imposing a tax, however
23 measured, on the use, for consideration, of a parking lot,
24 garage, or other parking facility. This Section is a
25 limitation, pursuant to subsection (g) of Section 6 of Article
26 VII of the Illinois Constitution, on the power of home rule

1 units to tax.

2 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

3 Section 900-30. The Illinois Municipal Code is amended by
4 changing Section 8-11-6a and by adding Section 8-11-22 as
5 follows:

6 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

7 Sec. 8-11-6a. Home rule municipalities; preemption of
8 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
9 8-11-6, 8-11-6b, 8-11-6c, and 11-74.3-6 on and after September
10 1, 1990, no home rule municipality has the authority to impose,
11 pursuant to its home rule authority, a retailer's occupation
12 tax, service occupation tax, use tax, sales tax or other tax on
13 the use, sale or purchase of tangible personal property based
14 on the gross receipts from such sales or the selling or
15 purchase price of said tangible personal property.
16 Notwithstanding the foregoing, this Section does not preempt
17 any home rule imposed tax such as the following: (1) a tax on
18 alcoholic beverages, whether based on gross receipts, volume
19 sold or any other measurement; (2) a tax based on the number of
20 units of cigarettes or tobacco products (provided, however,
21 that a home rule municipality that has not imposed a tax based
22 on the number of units of cigarettes or tobacco products before
23 July 1, 1993, shall not impose such a tax after that date); (3)
24 a tax, however measured, based on the use of a hotel or motel

1 room or similar facility; (4) a tax, however measured, on the
2 sale or transfer of real property; (5) a tax, however measured,
3 on lease receipts; (6) a tax on food prepared for immediate
4 consumption and on alcoholic beverages sold by a business which
5 provides for on premise consumption of said food or alcoholic
6 beverages; or (7) other taxes (other than a tax on cannabis in
7 any of its forms, which is prohibited) not based on the selling
8 or purchase price or gross receipts from the use, sale or
9 purchase of tangible personal property. This Section does not
10 preempt a home rule municipality with a population of more than
11 2,000,000 from imposing a tax, however measured, on the use,
12 for consideration, of a parking lot, garage, or other parking
13 facility. This Section is not intended to affect any existing
14 tax on food and beverages prepared for immediate consumption on
15 the premises where the sale occurs, or any existing tax on
16 alcoholic beverages, or any existing tax imposed on the charge
17 for renting a hotel or motel room, which was in effect January
18 15, 1988, or any extension of the effective date of such an
19 existing tax by ordinance of the municipality imposing the tax,
20 which extension is hereby authorized, in any non-home rule
21 municipality in which the imposition of such a tax has been
22 upheld by judicial determination, nor is this Section intended
23 to preempt the authority granted by Public Act 85-1006. This
24 Section is a limitation, pursuant to subsection (g) of Section
25 6 of Article VII of the Illinois Constitution, on the power of
26 home rule units to tax.

1 (Source: P.A. 97-1168, eff. 3-8-13; 97-1169, eff. 3-8-13.)

2 (65 ILCS 5/8-11-22 new)

3 Sec. 8-11-22. Municipal Cannabis Retailers' Occupation Tax
4 Law.

5 (a) This Section may be referred to as the Municipal
6 Cannabis Purchaser Excise Tax Law. On and after January 1,
7 2020, the corporate authorities of any municipality may, by
8 ordinance, impose a tax upon all persons engaged in the
9 business of selling cannabis, other than cannabis purchased
10 under the Compassionate Use of Medical Cannabis Pilot Program
11 Act, at retail in the municipality on the gross receipts from
12 these sales made in the course of that business. If imposed,
13 the tax may not exceed 3% of the gross receipts from these
14 sales and shall only be imposed in 1/4% increments. The tax
15 imposed under this Section and all civil penalties that may be
16 assessed as an incident of the tax shall be collected and
17 enforced by the Department of Revenue. The Department of
18 Revenue shall have full power to administer and enforce this
19 Section; to collect all taxes and penalties due hereunder; to
20 dispose of taxes and penalties so collected in the manner
21 hereinafter provided; and to determine all rights to credit
22 memoranda arising on account of the erroneous payment of tax or
23 penalty under this Section. In the administration of and
24 compliance with this Section, the Department and persons who
25 are subject to this Section shall have the same rights,

1 remedies, privileges, immunities, powers and duties, and be
2 subject to the same conditions, restrictions, limitations,
3 penalties and definitions of terms, and employ the same modes
4 of procedure, as are prescribed in Sections 1, 1a, 1d, 1e, 1f,
5 1i, 1j, 1k, 1m, 1n, 2 through 2-65 (in respect to all
6 provisions therein other than the State rate of tax), 2c, 3
7 (except as to the disposition of taxes and penalties
8 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k,
9 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
11 Penalty and Interest Act, as fully as if those provisions were
12 set forth herein.

13 (b) Persons subject to any tax imposed under the authority
14 granted in this Section may reimburse themselves for their
15 seller's tax liability hereunder by separately stating that tax
16 as an additional charge, which charge may be stated in
17 combination, in a single amount, with any State tax that
18 sellers are required to collect.

19 (c) Whenever the Department of Revenue determines that a
20 refund should be made under this Section to a claimant instead
21 of issuing a credit memorandum, the Department of Revenue shall
22 notify the State Comptroller, who shall cause the order to be
23 drawn for the amount specified and to the person named in the
24 notification from the Department of Revenue.

25 (d) The Department of Revenue shall immediately pay over to
26 the State Treasurer, ex officio, as trustee, all taxes and

1 penalties collected hereunder for deposit into the Municipal
2 Cannabis Retailers' Occupation Tax Trust Fund.

3 (e) On or before the 25th day of each calendar month, the
4 Department of Revenue shall prepare and certify to the
5 Comptroller the amount of money to be disbursed from the
6 Municipal Cannabis Retailers' Occupation Tax Trust Fund to
7 municipalities from which retailers have paid taxes or
8 penalties under this Section during the second preceding
9 calendar month. The amount to be paid to each municipality
10 shall be the amount (not including credit memoranda) collected
11 under this Section from sales made in the municipality during
12 the second preceding calendar month, plus an amount the
13 Department of Revenue determines is necessary to offset any
14 amounts that were erroneously paid to a different taxing body,
15 and not including an amount equal to the amount of refunds made
16 during the second preceding calendar month by the Department on
17 behalf of such municipality, and not including any amount that
18 the Department determines is necessary to offset any amounts
19 that were payable to a different taxing body but were
20 erroneously paid to the municipality, less 1.5% of the
21 remainder, which the Department shall transfer into the Tax
22 Compliance and Administration Fund. The Department, at the time
23 of each monthly disbursement to the municipalities, shall
24 prepare and certify to the State Comptroller the amount to be
25 transferred into the Tax Compliance and Administration Fund
26 under this Section. Within 10 days after receipt by the

1 Comptroller of the disbursement certification to the
2 municipalities and the Tax Compliance and Administration Fund
3 provided for in this Section to be given to the Comptroller by
4 the Department, the Comptroller shall cause the orders to be
5 drawn for the respective amounts in accordance with the
6 directions contained in the certification.

7 (f) An ordinance or resolution imposing or discontinuing a
8 tax under this Section or effecting a change in the rate
9 thereof shall be adopted and a certified copy thereof filed
10 with the Department on or before the first day of June,
11 whereupon the Department shall proceed to administer and
12 enforce this Section as of the first day of September next
13 following the adoption and filing.

14 Section 900-32. The Smoke Free Illinois Act is amended by
15 changing Section 35 as follows:

16 (410 ILCS 82/35)

17 Sec. 35. Exemptions. Notwithstanding any other provision
18 of this Act, smoking is allowed in the following areas:

19 (1) Private residences or dwelling places, except when
20 used as a child care, adult day care, or healthcare
21 facility or any other home-based business open to the
22 public.

23 (2) Retail tobacco stores as defined in Section 10 of
24 this Act in operation prior to the effective date of this

1 amendatory Act of the 95th General Assembly. The retail
2 tobacco store shall annually file with the Department by
3 January 31st an affidavit stating the percentage of its
4 gross income during the prior calendar year that was
5 derived from the sale of loose tobacco, plants, or herbs
6 and cigars, cigarettes, pipes, or other smoking devices for
7 smoking tobacco and related smoking accessories. Any
8 retail tobacco store that begins operation after the
9 effective date of this amendatory Act may only qualify for
10 an exemption if located in a freestanding structure
11 occupied solely by the business and smoke from the business
12 does not migrate into an enclosed area where smoking is
13 prohibited.

14 (3) (Blank).

15 (4) Hotel and motel sleeping rooms that are rented to
16 guests and are designated as smoking rooms, provided that
17 all smoking rooms on the same floor must be contiguous and
18 smoke from these rooms must not infiltrate into nonsmoking
19 rooms or other areas where smoking is prohibited. Not more
20 than 25% of the rooms rented to guests in a hotel or motel
21 may be designated as rooms where smoking is allowed. The
22 status of rooms as smoking or nonsmoking may not be
23 changed, except to permanently add additional nonsmoking
24 rooms.

25 (5) Enclosed laboratories that are excluded from the
26 definition of "place of employment" in Section 10 of this

1 Act. Rulemaking authority to implement this amendatory Act
2 of the 95th General Assembly, if any, is conditioned on the
3 rules being adopted in accordance with all provisions of
4 the Illinois Administrative Procedure Act and all rules and
5 procedures of the Joint Committee on Administrative Rules;
6 any purported rule not so adopted, for whatever reason, is
7 unauthorized.

8 (6) Common smoking rooms in long-term care facilities
9 operated under the authority of the Illinois Department of
10 Veterans' Affairs or licensed under the Nursing Home Care
11 Act that are accessible only to residents who are smokers
12 and have requested in writing to have access to the common
13 smoking room where smoking is permitted and the smoke shall
14 not infiltrate other areas of the long-term care facility.
15 Rulemaking authority to implement this amendatory Act of
16 the 95th General Assembly, if any, is conditioned on the
17 rules being adopted in accordance with all provisions of
18 the Illinois Administrative Procedure Act and all rules and
19 procedures of the Joint Committee on Administrative Rules;
20 any purported rule not so adopted, for whatever reason, is
21 unauthorized.

22 (7) A convention hall of the Donald E. Stephens
23 Convention Center where a meeting or trade show for
24 manufacturers and suppliers of tobacco and tobacco
25 products and accessories is being held, during the time the
26 meeting or trade show is occurring, if the meeting or trade

1 show:

2 (i) is a trade-only event and not open to the
3 public;

4 (ii) is limited to attendees and exhibitors that
5 are 21 years of age or older;

6 (iii) is being produced or organized by a business
7 relating to tobacco or a professional association for
8 convenience stores; and

9 (iv) involves the display of tobacco products.

10 Smoking is not allowed in any public area outside of
11 the hall designated for the meeting or trade show.

12 This paragraph (7) is inoperative on and after October
13 1, 2015.

14 (8) A privately owned facility at which cannabis or
15 cannabis products may be consumed on location by adults 21
16 years of age and older that is authorized and regulated by
17 the unit of local government in which the facility is
18 located. A privately owned facility authorized by a unit of
19 local government must include an area designated as a
20 consumption area, which must be separated from the rest of
21 the premises by walls and a secure door, and have a
22 separate ventilation system that directs air from the
23 cannabis consumption area to the outside of the building
24 through a filtration system sufficient to remove visible
25 smoke. A privately owned facility authorized by a unit of
26 local government must be compliant with all applicable

1 building codes and ordinances, provide adequate filtration
2 to eliminate odor at the property line, and provide a
3 smoke-free area for employees. A privately owned facility
4 authorized by a unit of local government must be secure and
5 include measures to prohibit access by persons under 21
6 years old to the cannabis consumption area.

7 (Source: P.A. 98-1023, eff. 8-22-14.)

8 Section 900-35. The Compassionate Use of Medical Cannabis
9 Pilot Program Act is amended by changing Sections 20, 200, and
10 210 as follows:

11 (410 ILCS 130/20)

12 (Section scheduled to be repealed on July 1, 2020)

13 Sec. 20. Compassionate Use of Medical Cannabis Fund.

14 (a) There is created the Compassionate Use of Medical
15 Cannabis Fund in the State treasury to be used exclusively for
16 the direct and indirect costs associated with the
17 implementation, administration, and enforcement of this Act.
18 Funds in excess of the direct and indirect costs associated
19 with the implementation, administration, and enforcement of
20 this Act shall be used to fund crime prevention programs. On
21 January 1, 2020, or as soon thereafter as possible, the
22 Comptroller shall order transferred and the Treasurer shall
23 transfer the balance in the Compassionate Use of Medical
24 Cannabis Fund to the Cannabis Regulation Fund. Any deposits or

transfers thereafter directed to be made into the Compassionate Use of Medical Cannabis Fund shall instead be made into the Cannabis Regulation Fund. Beginning on January 1, 2020, all appropriation authority for State fiscal year 2020 or prior years for expenditures out of the Compassionate Use of Medical Cannabis Fund shall instead be deemed to be appropriation authority for expenditures out of the Cannabis Regulation Fund.

(b) Until January 1, 2020, all moneys ~~All monies~~ collected under this Act shall be deposited in the Compassionate Use of Medical Cannabis Fund in the State treasury. Beginning on January 1, 2020, all moneys collected under this Act shall be deposited into the Cannabis Regulation Fund. Until January 1, 2020, all ~~All~~ earnings received from investment of moneys ~~monies~~ in the Compassionate Use of Medical Cannabis Fund shall be deposited in the Compassionate Use of Medical Cannabis Fund.

(c) Notwithstanding any other law to the contrary, the Compassionate Use of Medical Cannabis Fund is not subject to sweeps, administrative charge-backs, or any other fiscal or budgetary maneuver that would in any way transfer any amounts from the Compassionate Use of Medical Cannabis Fund into any other fund of the State.

(Source: P.A. 98-122, eff. 1-1-14.)

(410 ILCS 130/200)

(Section scheduled to be repealed on July 1, 2020)

Sec. 200. Tax imposed.

1 (a) Beginning on the effective date of this Act and until
2 September 1, 2019, a tax is imposed upon the privilege of
3 cultivating medical cannabis at a rate of 7% of the sales price
4 per ounce. Beginning on September 1, 2019, a tax is imposed
5 upon the privilege of cultivating and processing cannabis at
6 the rate of 7% of the gross receipts from the sale of cannabis
7 by a cultivator, craft grower, or processor to a dispensing
8 organization. The sale of any product that contains any amount
9 of cannabis or any derivative thereof is subject to the tax
10 under this Section on the full selling price of the product.
11 Until January 1, 2020, the The proceeds from this tax shall be
12 deposited into the Compassionate Use of Medical Cannabis Fund
13 created under the Compassionate Use of Medical Cannabis Pilot
14 Program Act. Beginning on January 1, 2020, the proceeds from
15 this tax shall be deposited into the Cannabis Regulation Fund.
16 This tax shall be paid by the cultivator who makes the first
17 sale ~~a cultivation center~~ and is not the responsibility of a
18 dispensing organization or a qualifying patient.

19 (a-5) In the administration of and compliance with this
20 Section, the Department of Revenue and persons who are subject
21 to this Section: (i) have the same rights, remedies,
22 privileges, immunities, powers, and duties, (ii) are subject to
23 the same conditions, restrictions, limitations, penalties, and
24 definitions of terms, and (iii) shall employ the same modes of
25 procedure as are set forth in the Cannabis Cultivation
26 Privilege Tax Law and the Uniform Penalty and Interest Act as

1 if those provisions were set forth in this Section.

2 (b) The tax imposed under this Act shall be in addition to
3 all other occupation or privilege taxes imposed by the State of
4 Illinois or by any municipal corporation or political
5 subdivision thereof.

6 (Source: P.A. 98-122, eff. 1-1-14.)

7 (410 ILCS 130/210)

8 (Section scheduled to be repealed on July 1, 2020)

9 Sec. 210. Returns.

10 (a) This subsection (a) applies to returns due on or before
11 the effective date of this amendatory Act of the 101st General
12 Assembly. On or before the twentieth day of each calendar
13 month, every person subject to the tax imposed under this Law
14 during the preceding calendar month shall file a return with
15 the Department, stating:

16 (1) The name of the taxpayer;

17 (2) The number of ounces of medical cannabis sold to a
18 dispensary organization or a registered qualifying patient
19 during the preceding calendar month;

20 (3) The amount of tax due;

21 (4) The signature of the taxpayer; and

22 (5) Such other reasonable information as the
23 Department may require.

24 If a taxpayer fails to sign a return within 30 days after
25 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 The taxpayer shall remit the amount of the tax due to the
4 Department at the time the taxpayer files his or her return.

5 (b) Beginning on the effective date of this amendatory Act
6 of the 101st General Assembly, Section 65-20 of the Cannabis
7 Regulation and Tax Act shall apply to returns filed and taxes
8 paid under this Act to the same extent as if those provisions
9 were set forth in full in this Section.

10 (Source: P.A. 98-122, eff. 1-1-14.)

11 Section 900-40. The Cannabis Control Act is amended by
12 changing Sections 4, 5, 5.1, 5.3, and 8 as follows:

13 (720 ILCS 550/4) (from Ch. 56 1/2, par. 704)

14 Sec. 4. Except as otherwise provided in the Cannabis
15 Regulation and Tax Act, it ~~It~~ is unlawful for any person
16 knowingly to possess cannabis.

17 Any person who violates this Section ~~section~~ with respect to:

18 (a) not more than 10 grams of any substance containing
19 cannabis is guilty of a civil law violation punishable by a
20 minimum fine of \$100 and a maximum fine of \$200. The
21 proceeds of the fine shall be payable to the clerk of the
22 circuit court. Within 30 days after the deposit of the
23 fine, the clerk shall distribute the proceeds of the fine
24 as follows:

(1) \$10 of the fine to the circuit clerk and \$10 of the fine to the law enforcement agency that issued the citation; the proceeds of each \$10 fine distributed to the circuit clerk and each \$10 fine distributed to the law enforcement agency that issued the citation for the violation shall be used to defer the cost of automatic expungements under paragraph (2.5) of subsection (a) of Section 5.2 of the Criminal Identification Act;

(2) \$15 to the county to fund drug addiction services;

(3) \$10 to the Office of the State's Attorneys
Appellate Prosecutor for use in training programs;

(4) \$10 to the State's Attorney; and

(5) any remainder of the fine to the law enforcement agency that issued the citation for the violation.

With respect to funds designated for the Department of State Police, the moneys shall be remitted by the circuit court clerk to the Department of State Police within one month after receipt for deposit into the State Police Operations Assistance Fund. With respect to funds designated for the Department of Natural Resources, the Department of Natural Resources shall deposit the moneys into the Conservation Police Operations Assistance Fund;

(b) more than 10 grams but not more than 30 grams of any substance containing cannabis is guilty of a Class B

1 misdemeanor;

2 (c) more than 30 grams but not more than 100 grams of
3 any substance containing cannabis is guilty of a Class A
4 misdemeanor; provided, that if any offense under this
5 subsection (c) is a subsequent offense, the offender shall
6 be guilty of a Class 4 felony;

7 (d) more than 100 grams but not more than 500 grams of
8 any substance containing cannabis is guilty of a Class 4
9 felony; provided that if any offense under this subsection
10 (d) is a subsequent offense, the offender shall be guilty
11 of a Class 3 felony;

12 (e) more than 500 grams but not more than 2,000 grams
13 of any substance containing cannabis is guilty of a Class 3
14 felony;

15 (f) more than 2,000 grams but not more than 5,000 grams
16 of any substance containing cannabis is guilty of a Class 2
17 felony;

18 (g) more than 5,000 grams of any substance containing
19 cannabis is guilty of a Class 1 felony.

20 (Source: P.A. 99-697, eff. 7-29-16.)

21 (720 ILCS 550/5) (from Ch. 56 1/2, par. 705)

22 Sec. 5. Except as otherwise provided in the Cannabis
23 Regulation and Tax Act, it ~~It~~ is unlawful for any person
24 knowingly to manufacture, deliver, or possess with intent to
25 deliver, or manufacture, cannabis. Any person who violates this

1 Section ~~section~~ with respect to:

2 (a) not more than 2.5 grams of any substance containing
3 cannabis is guilty of a Class B misdemeanor;

4 (b) more than 2.5 grams but not more than 10 grams of any
5 substance containing cannabis is guilty of a Class A
6 misdemeanor;

7 (c) more than 10 grams but not more than 30 grams of any
8 substance containing cannabis is guilty of a Class 4 felony;

9 (d) more than 30 grams but not more than 500 grams of any
10 substance containing cannabis is guilty of a Class 3 felony for
11 which a fine not to exceed \$50,000 may be imposed;

12 (e) more than 500 grams but not more than 2,000 grams of
13 any substance containing cannabis is guilty of a Class 2 felony
14 for which a fine not to exceed \$100,000 may be imposed;

15 (f) more than 2,000 grams but not more than 5,000 grams of
16 any substance containing cannabis is guilty of a Class 1 felony
17 for which a fine not to exceed \$150,000 may be imposed;

18 (g) more than 5,000 grams of any substance containing
19 cannabis is guilty of a Class X felony for which a fine not to
20 exceed \$200,000 may be imposed.

21 (Source: P.A. 90-397, eff. 8-15-97.)

22 (720 ILCS 550/5.1) (from Ch. 56 1/2, par. 705.1)

23 Sec. 5.1. Cannabis Trafficking.

24 (a) Except for purposes authorized by this Act or the
25 Cannabis Regulation and Tax Act, any person who knowingly

1 brings or causes to be brought into this State for the purpose
2 of manufacture or delivery or with the intent to manufacture or
3 deliver 2,500 grams or more of cannabis in this State or any
4 other state or country is guilty of cannabis trafficking.

5 (b) A person convicted of cannabis trafficking shall be
6 sentenced to a term of imprisonment not less than twice the
7 minimum term and fined an amount as authorized by subsection
8 (f) or (g) of Section 5 of this Act, based upon the amount of
9 cannabis brought or caused to be brought into this State, and
10 not more than twice the maximum term of imprisonment and fined
11 twice the amount as authorized by subsection (f) or (g) of
12 Section 5 of this Act, based upon the amount of cannabis
13 brought or caused to be brought into this State.

14 (Source: P.A. 90-397, eff. 8-15-97.)

15 (720 ILCS 550/5.3)

16 Sec. 5.3. Unlawful use of cannabis-based product
17 manufacturing equipment.

18 (a) A person commits unlawful use of cannabis-based product
19 manufacturing equipment when he or she knowingly engages in the
20 possession, procurement, transportation, storage, or delivery
21 of any equipment used in the manufacturing of any
22 cannabis-based product using volatile or explosive gas,
23 including, but not limited to, canisters of butane gas, with
24 the intent to manufacture, compound, covert, produce, derive,
25 process, or prepare either directly or indirectly any

1 cannabis-based product.

2 (b) This Section does not apply to a cultivation center or
3 cultivation center agent that prepares medical cannabis or
4 cannabis-infused products in compliance with the Compassionate
5 Use of Medical Cannabis Pilot Program Act and Department of
6 Public Health and Department of Agriculture rules.

7 (c) Sentence. A person who violates this Section is guilty
8 of a Class 2 felony.

9 (d) This Section does not apply to craft growers,
10 cultivation centers, and processing organizations licensed
11 under the Cannabis Regulation and Tax Act.

12 (e) This Section does not apply to manufacturers of
13 cannabis-based product manufacturing equipment or transporting
14 organizations with documentation identifying the seller and
15 purchaser of the equipment if the seller or purchaser is a
16 craft grower, cultivation center, or processing organization
17 licensed under the Cannabis Regulation and Tax Act.

18 (Source: P.A. 99-697, eff. 7-29-16.)

19 (720 ILCS 550/8) (from Ch. 56 1/2, par. 708)

20 Sec. 8. Except as otherwise provided in the Cannabis
21 Regulation and Tax Act, it ~~It~~ is unlawful for any person
22 knowingly to produce the Cannabis ~~cannabis~~ sativa plant or to
23 possess such plants unless production or possession has been
24 authorized pursuant to the provisions of Section 11 or 15.2 of
25 the Act. Any person who violates this Section with respect to

1 production or possession of:

2 (a) Not more than 5 plants is guilty of a civil violation
3 punishable by a minimum fine of \$100 and a maximum fine of
4 \$200. The proceeds of the fine are payable to the clerk of the
5 circuit court. Within 30 days after the deposit of the fine,
6 the clerk shall distribute the proceeds of the fine as follows:

7 (1) \$10 of the fine to the circuit clerk and \$10 of the
8 fine to the law enforcement agency that issued the
9 citation; the proceeds of each \$10 fine distributed to the
10 circuit clerk and each \$10 fine distributed to the law
11 enforcement agency that issued the citation for the
12 violation shall be used to defer the cost of automatic
13 expungements under paragraph (2.5) of subsection (a) of
14 Section 5.2 of the Criminal Identification Act;

15 (2) \$15 to the county to fund drug addiction services;
16 (3) \$10 to the Office of the State's Attorneys
17 Appellate Prosecutor for use in training programs;
18 (4) \$10 to the State's Attorney; and
19 (5) any remainder of the fine to the law enforcement
20 agency that issued the citation for the violation.

21 With respect to funds designated for the Department of
22 State Police, the moneys shall be remitted by the circuit court
23 clerk to the Department of State Police within one month after
24 receipt for deposit into the State Police Operations Assistance
25 Fund. With respect to funds designated for the Department of
26 Natural Resources, the Department of Natural Resources shall

1 deposit the moneys into the Conservation Police Operations
2 Assistance Fund. Class A misdemeanor.

3 (b) More than 5, but not more than 20 plants, is guilty of
4 a Class 4 felony.

5 (c) More than 20, but not more than 50 plants, is guilty of
6 a Class 3 felony.

7 (d) More than 50, but not more than 200 plants, is guilty
8 of a Class 2 felony for which a fine not to exceed \$100,000 may
9 be imposed and for which liability for the cost of conducting
10 the investigation and eradicating such plants may be assessed.
11 Compensation for expenses incurred in the enforcement of this
12 provision shall be transmitted to and deposited in the
13 treasurer's office at the level of government represented by
14 the Illinois law enforcement agency whose officers or employees
15 conducted the investigation or caused the arrest or arrests
16 leading to the prosecution, to be subsequently made available
17 to that law enforcement agency as expendable receipts for use
18 in the enforcement of laws regulating controlled substances and
19 cannabis. If such seizure was made by a combination of law
20 enforcement personnel representing different levels of
21 government, the court levying the assessment shall determine
22 the allocation of such assessment. The proceeds of assessment
23 awarded to the State treasury shall be deposited in a special
24 fund known as the Drug Traffic Prevention Fund.

25 (e) More than 200 plants is guilty of a Class 1 felony for
26 which a fine not to exceed \$100,000 may be imposed and for

1 which liability for the cost of conducting the investigation
2 and eradicating such plants may be assessed. Compensation for
3 expenses incurred in the enforcement of this provision shall be
4 transmitted to and deposited in the treasurer's office at the
5 level of government represented by the Illinois law enforcement
6 agency whose officers or employees conducted the investigation
7 or caused the arrest or arrests leading to the prosecution, to
8 be subsequently made available to that law enforcement agency
9 as expendable receipts for use in the enforcement of laws
10 regulating controlled substances and cannabis. If such seizure
11 was made by a combination of law enforcement personnel
12 representing different levels of government, the court levying
13 the assessment shall determine the allocation of such
14 assessment. The proceeds of assessment awarded to the State
15 treasury shall be deposited in a special fund known as the Drug
16 Traffic Prevention Fund.

17 (Source: P.A. 98-1072, eff. 1-1-15.)

18 Section 900-45. The Condominium Property Act is amended by
19 adding Section 33 as follows:

20 (765 ILCS 605/33 new)

21 Sec. 33. Limitations on the use of smoking cannabis. The
22 declaration or bylaws of a condominium association may prohibit
23 or limit the smoking of cannabis as the term "smoking" is
24 defined in the Cannabis Regulation and Tax Act. The declaration

1 or bylaws of a condominium association shall not otherwise
2 restrict the consumption of cannabis by any other method within
3 an owner's unit, but may restrict cannabis consumption in
4 common areas.

5 Section 900-50. The Right to Privacy in the Workplace Act
6 is amended by changing Section 5 as follows:

7 (820 ILCS 55/5) (from Ch. 48, par. 2855)

8 Sec. 5. Discrimination for use of lawful products
9 prohibited.

10 (a) Except as otherwise specifically provided by law and
11 except as provided in subsections (b) and (c) of this Section,
12 it shall be unlawful for an employer to refuse to hire or to
13 discharge any individual, or otherwise disadvantage any
14 individual, with respect to compensation, terms, conditions or
15 privileges of employment because the individual uses lawful
16 products off the premises of the employer during nonworking
17 hours. As used in this Section, "lawful products" includes
18 cannabis for personal use as permitted by the Cannabis
19 Regulation and Tax Act.

20 (b) This Section does not apply to any employer that is a
21 non-profit organization that, as one of its primary purposes or
22 objectives, discourages the use of one or more lawful products
23 by the general public. This Section does not apply to the use
24 of those lawful products which impairs an employee's ability to

1 perform the employee's assigned duties.

2 (c) It is not a violation of this Section for an employer
3 to offer, impose or have in effect a health, disability or life
4 insurance policy that makes distinctions between employees for
5 the type of coverage or the price of coverage based upon the
6 employees' use of lawful products provided that:

(1) differential premium rates charged employees reflect a differential cost to the employer; and

12 (Source: P.A. 87-807.)

13 ARTICLE 999.

14 MISCELLANEOUS PROVISIONS

15 Section 999-95. No acceleration or delay. Where this Act
16 makes changes in a statute that is represented in this Act by
17 text that is not yet or no longer in effect (for example, a
18 Section represented by multiple versions), the use of that text
19 does not accelerate or delay the taking effect of (i) the
20 changes made by this Act or (ii) provisions derived from any
21 other Public Act.

Section 999-99. Effective date. This Act takes effect upon becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 5 ILCS 100/5-45 from Ch. 127, par. 1005-45
5 20 ILCS 2505/2505-210 was 20 ILCS 2505/39c-1
6 20 ILCS 2630/5.2
7 30 ILCS 105/5.891 new
8 30 ILCS 105/5.892 new
9 30 ILCS 105/6z-107 new
10 35 ILCS 105/9 from Ch. 120, par. 439.9
11 35 ILCS 110/9 from Ch. 120, par. 439.39
12 35 ILCS 115/9 from Ch. 120, par. 439.109
13 35 ILCS 120/3 from Ch. 120, par. 442
14 35 ILCS 520/Act rep.
15 50 ILCS 705/9 from Ch. 85, par. 509
16 50 ILCS 705/10.12
17 55 ILCS 5/5-1009 from Ch. 34, par. 5-1009
18 65 ILCS 5/8-11-6a from Ch. 24, par. 8-11-6a
19 65 ILCS 5/8-11-22 new
20 410 ILCS 82/35
21 410 ILCS 130/20
22 410 ILCS 130/200
23 410 ILCS 130/210
24 720 ILCS 550/4 from Ch. 56 1/2, par. 704
25 720 ILCS 550/5 from Ch. 56 1/2, par. 705

- 1 720 ILCS 550/5.1 from Ch. 56 1/2, par. 705.1
- 2 720 ILCS 550/5.3
- 3 720 ILCS 550/8 from Ch. 56 1/2, par. 708
- 4 765 ILCS 605/33 new
- 5 820 ILCS 55/5 from Ch. 48, par. 2855